

1  
2 UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

3 -----X  
4 UNITED STATES OF AMERICA,

5 PLAINTIFF,

6 - against -

Case No.:

1:21-cv-05578

7  
8 JUAN REYES and  
CATHERINE REYES,

9 DEFENDANTS.

10 -----X

11  
12 DATE: December 2, 2022

13 TIME: 9:35 A.M.

14  
15  
16 DEPOSITION of the Defendant,  
17 JUAN REYES, taken by the Plaintiff,  
18 pursuant to a Court Order and to the  
19 Federal Rules of Civil Procedure, held at  
20 the offices of U.S. Attorney's Office for  
21 the Eastern District of New York, 271  
22 Cadman Plaza East, Brooklyn, New York  
23 11201, before Enrique Alvarado, a Notary  
24 Public of the State of New York.

25  
**Exhibit**  
c

1  
2 A P P E A R A N C E S:

3  
4 DEPARTMENT OF JUSTICE TAX DIVISION -  
NORTHERN REGION

5 Attorneys for the Plaintiff

UNITED STATES OF AMERICA

6 1275 1st Street, NE

Washington, D.C. 20002

7 BY: PHILIP BEDNAR, ESQ.

Philip.l.bednar@usdoj.gov

8  
9 MAZZOLA LINDSTROM LLP

Attorneys for the Defendants

10 JUAN REYES and

CATHERINE REYES

11 1350 Avenue of the Americas, 2nd Floor

New York, New York 10019

12 BY: RICHARD LERNER, ESQ.

Richard@mazzolalindstrom.com

13  
14  
15 ALSO PRESENT:

16 Julia Glen, Esq.

Department of Justice Tax Division

17 Northern Division  
18

\* \* \*

F E D E R A L S T I P U L A T I O N S

IT IS HEREBY STIPULATED AND AGREED by and between the counsel for the respective parties herein that the sealing, filing and certification of the within deposition be waived; that the original of the deposition may be signed and sworn to by the witness before anyone authorized to administer an oath, with the same effect as if signed before a Judge of the Court; that an unsigned copy of the deposition may be used with the same force and effect as if signed by the witness, 30 days after service of the original & 1 copy of same upon counsel for the witness.

IT IS FURTHER STIPULATED AND AGREED that all objections except as to form, are reserved to the time of trial.

\* \* \* \*

J. REYES

J U A N R E Y E S, called as a witness,  
having been first duly sworn by a Notary  
Public of the State of New York, was  
examined and testified as follows:

EXAMINATION BY

MR. BEDNAR:

Q. Please state your name for the  
record.

A. Juan Reyes.

Q. What is your address?

A. 72 Dartmouth Street, Forest  
Hills, New York 11375.

Q. Good morning. My name is Phil  
Bednar with the United States Department of  
Justice Tax Division in Washington D.C.  
We're here in the matter of United States  
versus Reyes, which is a case pending in  
the United States District Court for the  
Eastern District of New York. The case  
number 1:21-cv-05578.

And we're taking this  
deposition today under the federal rules of  
civil procedure. Why don't we go around  
and introduce ourselves. I'm with my

1 J. REYES

2 Co-counsel to my left here is Julia Glen.  
3 She's here today with me for this  
4 deposition. Could the witness please  
5 introduce himself for the record, your  
6 name?

7 A. My last name is Reyes,  
8 R-E-Y-E-S, my first name is Juan, J-U-A-N.

9 MR. BEDNAR: And Mr. Lerner,  
10 can you go ahead and introduce  
11 yourself please.

12 MR. LERNER: Richard E. Lerner  
13 of the law firm Mazzola Lindstrom  
14 LLP, 1350 Avenue of the Americas, New  
15 York, New York.

16 Q. Mr. Reyes, can you please  
17 provide, for the record, your address and  
18 date of birth?

19 A. Okay. The date of birth of  
20 [REDACTED] 1932, and my address is 72  
21 Dartmouth Street, Forest Hills, New York  
22 11375.

23 Q. Mr. Reyes, is Mr. Lerner, who  
24 is seated to your right, is he your counsel  
25 for today's deposition?

1 J. REYES

2 A. Yes.

3 Q. Mr. Reyes, have you ever been  
4 deposed before?

5 A. I believe so, yes.

6 Q. And in what circumstance were  
7 you deposed?

8 A. Well, we have litigation with  
9 my brother-in-law and as a witness through  
10 probably medical problems, with me, a  
11 defendant friend of mine.

12 Q. Were you deposed in a medical  
13 malpractice case?

14 A. Yeah. Well, the witness  
15 defended a case that my friend had.

16 Q. Have you ever been deposed in a  
17 case involving foreign financial accounts  
18 with Lloyds Bank?

19 A. I believe I was interviewed by  
20 foreign, some person in Washington.

21 Q. By the IRS?

22 A. Yes.

23 Q. Other than that, have you ever  
24 been deposed about by anyone regarding an  
25 account you and your wife had with Lloyds

1 J. REYES

2 Bank?

3 A. No, not really.

4 Q. I'm just going to go through a  
5 few ground rules about depositions that I  
6 think would help us today. The court  
7 reporter will be creating a written  
8 transcript of today's testimony. You will  
9 have the opportunity to review it for  
10 typographical and clerical errors. Once  
11 the transcript is created it will be sent  
12 to you and you can take a look at it.

13 I ask you that you please give  
14 fully audible answers to my questions so  
15 don't nod your head or shake your head to a  
16 yes or no type of question. Say the words  
17 yes or no instead. Please wait until I've  
18 finished fully asking my question before  
19 you proceed to answer the question. That  
20 way it'll prevent breaks in the testimony  
21 from showing up.

22 If you need a rest break, I'm  
23 happy to accommodate that. My only request  
24 is that you wait until you've completed  
25 giving your answer to the last question

1 J. REYES

2 before we take a rest break; that way we  
3 don't we have any open questions during a  
4 rest break.

5 If Mr. Lerner raises an  
6 objection to a question I ask, you can  
7 proceed to answer that question unless he  
8 instructs you not to answer it and most  
9 likely it will be because of an  
10 attorney-client privilege that Mr. Lerner  
11 is raising. Are you under any medication  
12 which would prevent you from giving  
13 testimony today?

14 A. No.

15 Q. Let's go ahead and proceed with  
16 more of the substance. What, if anything,  
17 did you do to prepare for this deposition  
18 today?

19 A. I read papers that have been  
20 prepared by my former lawyer, Doug Allen.

21 Q. Were those papers produced  
22 already to the IRS or to the Department of  
23 Justice in this case?

24 A. I think so.

25 Q. Okay. Do you remember some of



1 J. REYES

2 the substance of the paper you were  
3 reading? What exactly were they about  
4 other than privileged attorney-client  
5 communications?

6 A. I do remember, yes.

7 Q. What were they about in  
8 general?

9 A. That we have an offshore bank  
10 account that were given by my parents in  
11 Nicaragua. It's before I became an  
12 American citizen and then it's, at one  
13 point, we decide for different reasons to  
14 bring it to the United States, and although  
15 I believe that it's not everybody agree  
16 with the United States that is any asset  
17 that's outside of the United States by  
18 citizens, they have to be really declared  
19 by the United States, because since the law  
20 have been changed, the American accept the  
21 dual citizenship, in accordance to some of  
22 these international lawyers, the whole ball  
23 game has been changed.

24 In any event, we have to be  
25 paying the money here because I need the

1 J. REYES

2 money and besides, so I became aware, when  
3 I began the position, the United States was  
4 saying that I did have to declare anything  
5 that I have outside of the country and we  
6 did that, we pay all the taxes, I look for  
7 a lawyer. I didn't want to do it before  
8 that but I need a lawyer to bring it to the  
9 United States.

10 That was Doug Allen, that was  
11 his name, and he said pay all the taxes,  
12 and then we have all the problem now  
13 because I think that penalties, they are  
14 really way out of the amount of money that  
15 we have, and he said -- and also we did  
16 have to use some money before bringing over  
17 here, and in the way of credit card,  
18 because we need it and to help my family,  
19 my brother and sisters, that had to get out  
20 of Nicaragua because the country had been  
21 taken over by the communists, and they had  
22 to leave the country penniless and I felt  
23 it my duty was to help them.

24 Q. We'll explore the history of  
25 the account as we go through today. I just

1 J. REYES

2 wanted to get a general idea of what  
3 documents you looked at, before today's  
4 deposition, to prepare. It sounds like you  
5 reviewed some documents involving  
6 Mr. Allen. Was there anything else you  
7 looked at before today's deposition to  
8 prepare?

9 A. I don't think so.

10 Q. Did you speak to anyone to  
11 prepare for this deposition today other  
12 than Mr. Lerner?

13 A. No, nobody.

14 Q. Could you give me just a --

15 A. My wife was present when I  
16 spoke to Mr. Lerner.

17 Q. Could you give me just an  
18 overview of your education starting with  
19 high school and beyond that. Where did you  
20 attend, what institutions did you attend,  
21 what degrees did you obtain and such?

22 A. I live in Nicaragua and I went  
23 to grammar school in my hometown in  
24 Chinandega, C-H-I-N-A-N-D-E-G-A, in  
25 Nicaragua. Then I went to college, the

1 J. REYES

2 city next to my hometown, in León, and then  
3 also I attend American school in Mexico in  
4 Mexico City, when I became a medical  
5 doctor. Then I came, I pursue my education  
6 in the United States. I came over here, I  
7 think a course in New American College and  
8 then I went to New York University in the  
9 Veteran Administration in Manhattan, and  
10 the Veteran Administration in Brooklyn. I  
11 became a proficient in thoracic surgery as  
12 well as general surgery, and then I became  
13 a full time surgeon for the Catholic  
14 Medical Center for, I remember, two or  
15 three years; I went to private practice and  
16 was a medical doctor.

17 Q. Let me just explore a few  
18 different things you mentioned. So you  
19 didn't go to medical school in Nicaragua  
20 but instead it was in Mexico, correct?

21 A. That is correct.

22 Q. What was the name of the  
23 medical school in Mexico that you went to?

24 A. National University of Mexico.

25 Q. When did you obtain your

1 J. REYES

2 medical degree there?

3 A. 1957.

4 Q. So from there, you went  
5 straight to the United States? I was  
6 trying get a timeline of --

7 A. I see. I think that I went  
8 maybe for six months, eight months, to  
9 Nicaragua and I was trying to find out  
10 where I'm going to continue my medical  
11 education and then after that, I came  
12 straight into New York.

13 Q. You mentioned did some further  
14 education in New York for medical related.  
15 Was that a residency or were you taking  
16 classes?

17 A. It's a residency and internship  
18 and then a residency in New York.

19 Q. How long did that last?

20 A. About six years.

21 Q. And then from there, you said  
22 you did some work for the veterans. What  
23 was it again?

24 A. Veteran Administration  
25 Hospitals.

1 J. REYES

2 Q. And how long have you been in  
3 -- are you still in private practice?

4 A. Yes. I'm not so active like I  
5 use to be but I'm still in private practice  
6 because I still have to resolve this  
7 problem that we have here with the Internal  
8 Revenue.

9 Q. How long have you been in  
10 private practice as a doctor?

11 A. Over 50 years.

12 Q. Do you hold a medical license  
13 out of New York State?

14 A. I do.

15 Q. When did you first begin living  
16 in the United States? Could you pinpoint a  
17 year for that?

18 A. I believe 1960.

19 Q. And why did you move to the  
20 United States?

21 A. I want to pursue my medical  
22 education.

23 Q. Are you a United States citizen  
24 now?

25 A. Yes, I am.

1 J. REYES

2 Q. When did you become a United  
3 States citizen?

4 A. 1982.

5 Q. So that was the year you were  
6 naturalized?

7 A. Yes.

8 Q. Are you a citizen of any other  
9 country besides the United States?

10 A. Yes, I am.

11 Q. Which countries?

12 A. Nicaragua.

13 Q. Any others?

14 A. No.

15 Q. Could you list all countries  
16 that you've lived in your life?

17 A. I only lived in Nicaragua,  
18 Mexico and the United States.

19 Q. Did you ever live in Spain?

20 A. I visited Spain but I never  
21 lived in Spain.

22 Q. Have you ever lived in  
23 Guatemala?

24 A. Excuse me?

25 Q. Have you ever lived in the

1 J. REYES

2 country of Guatemala?

3 A. Never.

4 Q. I'm going to ask you a few  
5 questions about Switzerland, the country.  
6 Have you ever lived in Switzerland?

7 A. Never.

8 Q. Have you ever done business in  
9 Switzerland?

10 A. Not directly.

11 Q. When you say not directly, what  
12 do you mean by that?

13 A. Because the bank when I had  
14 account, they decide to transfer the  
15 account to Switzerland.

16 Q. Are we talking about the Lloyds  
17 Bank account that's the subject of this  
18 lawsuit?

19 A. Lloyds Bank, yes.

20 Q. Other than the Lloyds Bank  
21 account, have you done any other business  
22 in Switzerland?

23 A. Never.

24 Q. Do you have any business  
25 connections to Switzerland other than



1 J. REYES

2 Lloyds Bank?

3 A. Nothing, zero.

4 Q. Do you have any personal  
5 connections to Switzerland?

6 A. Nothing.

7 Q. Have you ever travelled to  
8 Switzerland?

9 A. Never.

10 Q. I'm going to ask you similar  
11 questions about the United Kingdom. Have  
12 you ever lived in the United Kingdom?

13 A. Never.

14 Q. Have you ever done any business  
15 in the United Kingdom?

16 A. I visit the United Kingdom.

17 Q. I was going to ask that later  
18 but let's stick with have you ever done any  
19 business in the United Kingdom?

20 A. No.

21 MR. LERNER: Other than having  
22 that bank account?

23 Q. Did you ever -- was having the  
24 Lloyds Bank account a way of doing business  
25 in the United Kingdom?

1 J. REYES

2 A. Say again.

3 Q. Was the Lloyds Bank account a  
4 form of doing business in the United  
5 Kingdom for you?

6 A. Yes.

7 Q. Other than having a Lloyds  
8 Bank, did you do any other business in the  
9 United Kingdom?

10 A. Nothing.

11 Q. Did you have any other business  
12 connections to the United Kingdom?

13 A. Nothing.

14 Q. Did you have any personal  
15 connection to the United Kingdom?

16 A. My wife's relatives in London.

17 Q. Which relative does she have  
18 there?

19 A. She has some cousins but I  
20 think they died too. I think they're like  
21 90 years old now too.

22 Q. Did one of your sons study law  
23 in England?

24 A. He didn't study. He was -- he  
25 got the license to practice in England.

1 J. REYES

2 Q. When did he obtain his law  
3 license or barrister's license in England?

4 A. I'm not sure.

5 MR. LERNER: Objection.

6 Foundation. He's a solicitor not a  
7 barrister.

8 MR. BEDNAR: Off the record.

9 (Whereupon, an off-the-record  
10 discussion was held.)

11 Q. Mr. Reyes, have you ever  
12 traveled to the United Kingdom yourself?

13 A. Yes.

14 Q. How many times have you  
15 traveled there?

16 A. Maybe four or five times.

17 Q. And what was the purpose of  
18 your visits to the United Kingdom?

19 A. Just to visit, visit friends  
20 and tourism, and go to the theater.

21 Q. When did you travel to the  
22 United Kingdom? If you come up with  
23 years --

24 MR. BEDNAR: Strike that.

25 A. It's hard to remember but the

1 J. REYES

2 last time that I was there, maybe it was  
3 seven years ago.

4 Q. Which decades did you travel to  
5 the United Kingdom?

6 A. Maybe in 1990s and -- probably  
7 then.

8 Q. So you traveled there in the  
9 1990s?

10 A. Yes.

11 Q. Did you travel there in the  
12 2000s?

13 A. Maybe probably, yes.

14 Q. And did you travel there in  
15 2010s?

16 A. I wouldn't remember.

17 Q. When was the last time you  
18 traveled to the United Kingdom?

19 A. I believe around seven years  
20 ago roughly.

21 Q. Did you ever visit any  
22 representative of Lloyds Bank when you  
23 traveled to the United Kingdom?

24 A. One day, one representative of  
25 the Lloyds Bank know that I was there and

1 J. REYES

2 came to visit me.

3 Q. The Lloyds Bank rep visited  
4 you?

5 A. Yes.

6 Q. Who was the name of that  
7 representative?

8 A. I think his name was Bernard  
9 Gaughran. I think G-O-C-H-R-A-N, more or  
10 less.

11 Q. We may see that name appear in  
12 some documents later on and we'll confirm  
13 that. When did Mr. Gaughran visit with  
14 you?

15 A. The exact date I don't remember  
16 but probably early 2000.

17 Q. What was the purpose of the  
18 meeting?

19 A. He was saying that -- at one  
20 point he offered that if we need anything  
21 -- to begin with, they were going to  
22 transfer this, the bank, to Zurich and then  
23 they probably were going to transfer to  
24 Geneva and was telling me if we need to get  
25 any money from the bank, we could do it in

1 J. REYES

2 the way of getting the credit card.

3 Q. And was there any follow-up  
4 done after that meeting?

5 A. Maybe we meet once or twice.

6 Q. So shortly after?

7 A. I would say after that but I  
8 don't have a problem after.

9 Q. Did you end up --

10 MR. LERNER: Can you read that  
11 back.

12 (Whereupon, the referred to  
13 answer was read back by the  
14 Reporter.)

15 Q. Did you end up withdrawing any  
16 money after discussions of possibly doing  
17 that from the meeting?

18 A. Yes, after that, but way after  
19 the meeting, I did end up getting some  
20 money out of the bank.

21 Q. How much was that?

22 A. I won't remember but I know  
23 that we got some money because I mentioned  
24 to you my relatives in Nicaragua.

25 Q. I want to make it clear that

1 J. REYES

2 I'm not referring to closing the accounts.

3 I'm talking about just taking cash out

4 after that meeting. Did you do that?

5 A. When we got the credit card, we

6 use to get cash out of the bank with the

7 credit card.

8 Q. So I want to confirm, did you

9 and/or Mrs. Reyes have a credit card that

10 enabled either of you to withdraw money out

11 of the Lloyds Bank account?

12 A. That's correct, yes.

13 Q. And we'll explore that in more

14 detail but another question on that. How

15 often did you use a credit card to make

16 such withdrawals?

17 A. When I need something but I'm

18 couldn't say exactly how often.

19 Q. Was anyone else with you at the

20 meeting with Mr. Gaughran when you're in

21 the UK?

22 A. I don't think so.

23 Q. Was that in London?

24 A. That was in London.

25 MR. LERNER: By "you," did you

1 J. REYES

2 mean him and Ms. Reyes or did you  
3 mean --

4 MR. BEDNAR: No, I meant just  
5 Mr. Reyes.

6 Q. Let me ask that question. Was  
7 Mrs. Reyes with you at that meeting with  
8 Mr. Gaughran from Lloyds Bank?

9 A. I think so.

10 Q. Was anyone else at that meeting  
11 besides you, Ms. Reyes, and Mr. Gaughran?

12 A. I don't think so.

13 Q. And where in London was that  
14 meeting?

15 A. In a hotel.

16 Q. Which hotel?

17 A. I don't remember the name.

18 Q. Was it a conference room --

19 A. No, it was in the hotel and he  
20 went there and saw me probably in the lobby  
21 of the hotel.

22 Q. How long did the meeting last?

23 A. Not more than probably  
24 15 minutes.

25 Q. Mr. Reyes, have you ever --



1 J. REYES

2 MR. LERNER: Dr. Reyes.

3 Q. I'm sorry, Dr. Reyes --

4 A. In England, when you become a  
5 surgeon, you become "mister" again. They  
6 don't call you "doctor," they call you  
7 "mister."

8 Q. Dr. Reyes, have you ever owned  
9 a business?

10 A. Besides my medical practice?

11 Q. Let me ask you a different way.  
12 Please name any businesses you have ever  
13 owned or co-owned?

14 A. Besides my medical practice?

15 Q. Let's start with that. Your  
16 medical practice, how do you operate that?  
17 Is that a sole proprietorship or is it in a  
18 separately legal entity?

19 A. I practice medicine in an MD PC  
20 because I was a professional corporation  
21 but there were several doctors that were  
22 practicing with me.

23 Q. What is the name of the PC?

24 A. Juan D. Reyes, M.D. P.C.

25 Q. Who has owned that PC since it

1 J. REYES

2 was formed?

3 A. Myself.

4 Q. Anybody else?

5 A. No.

6 Q. So moving on from the PC, have  
7 you ever owned or co-owned any other  
8 businesses?

9 A. A building.

10 Q. What's the name of that entity?

11 A. It's 424 138th Street and then  
12 another one in 91 Graham, G-R-A-H-A-M,  
13 Avenue, Brooklyn, New York 11206.

14 Q. Let's start with the 91 entity.  
15 What's name of that entity?

16 A. It's 91 Avaline.

17 MR. LERNER: Off the record.

18 (Whereupon, an off-the-record  
19 discussion was held.)

20 Q. Mr. Reyes, have you ever been  
21 an owner or a co-owner of a company called  
22 91 Avaline LLC?

23 A. Yes.

24 Q. What is the nature of that  
25 entity's business?

1 J. REYES

2 A. We have a building. We own a  
3 building.

4 Q. So it owns real property?

5 A. Yes.

6 Q. Where does it own real  
7 property?

8 A. In Brooklyn.

9 Q. What is the address?

10 A. 91 Graham Avenue, Brooklyn, New  
11 York 11206.

12 Q. Who are the owners or members  
13 of the LLC?

14 A. May I talk to my lawyer?

15 Q. I don't know actually.

16 MR. BEDNAR: I think he's got  
17 to answer it.

18 MR. LERNER: Just answer to the  
19 best of your ability. It's okay if  
20 your answer is different from what  
21 Mrs. Reyes said. Don't worry about  
22 that.

23 A. It's my wife and myself.

24 Q. Are there any other owners of  
25 that LLC?

1 J. REYES

2 A. I think my son also owns part  
3 of that.

4 Q. What are the percentage  
5 ownership interest of the three of you if  
6 you know?

7 A. Probably I own 90 percent, my  
8 wife five percent, and my son five percent.

9 Q. And when you say your son, are  
10 you referring to Juan Reyes III?

11 A. Yes.

12 Q. Does it own any other assets  
13 other than the real property that you  
14 mentioned?

15 A. Nothing.

16 Q. I guess we stipulated to this  
17 yesterday in Mrs. Reyes's deposition. Was  
18 this entity formed around February of 2010?

19 A. The corporation was formed when  
20 we got the building.

21 Q. So there is a building. Are  
22 there tenants in the building?

23 A. Yes.

24 Q. Who are the tenants? You don't  
25 have to name their names but just in

1 J. REYES

2 general, who were the tenants there?

3 A. They're people that work, blue  
4 collar workers, they work in construction,  
5 many of them illegal aliens.

6 Q. So these tenants are residing  
7 there, they're living there, right?

8 A. They live there.

9 Q. Is this a residential building?

10 A. It's a residential and  
11 commercial. We have the office there in  
12 the first floor.

13 Q. So you conduct your medical  
14 practice from an office in that building?

15 A. Yes.

16 Q. And in addition to that, there  
17 tenants who reside in that building too?

18 A. That is right.

19 Q. About how many tenants are  
20 residing in that building?

21 A. Six. I mean there are six  
22 families.

23 Q. And are you collecting rent?  
24 Is the LLC collecting rents from the  
25 tenants?

1 J. REYES

2 A. Yes, collecting rent.

3 Q. Has the LLC been collecting  
4 rents since the LLC was formed?

5 A. Yes.

6 Q. Approximately how much in rent  
7 does the LLC collect per year?

8 A. I don't know exactly but it's  
9 very low. Those apartments, they're rent  
10 controlled, rent stabilized.

11 Q. Now let's turn to the other  
12 property you mentioned. Are you owner or  
13 co-owner of 424 Avaline LLC?

14 A. Yes.

15 Q. And who are the owners or  
16 members of that LLC?

17 A. Also it's my wife, my son, and  
18 myself.

19 Q. What are the percentage  
20 ownership interests of each of the three of  
21 you?

22 A. My wife, five percent; my son,  
23 five percent and I own 90 percent  
24 approximately.

25 Q. And what is the nature of the

1 J. REYES

2 business that 424 Avaline LLC does?

3 A. At the present time, there's no  
4 business because it's under renovation and  
5 its been under renovation for several  
6 years.

7 Q. Does the 424 Avaline own any  
8 reel property?

9 A. Besides that building, nothing  
10 else.

11 Q. So it owns the building?

12 A. Yes.

13 Q. What is the address of that  
14 building?

15 A. 424 East 138th Street, Bronx,  
16 New York 10454.

17 Q. Was 42 Avaline LLC formed on or  
18 about February of 2010?

19 A. Yes, that's correct.

20 Q. Did 424 Avaline help construct  
21 the building or was it already in place?

22 A. The building was in place but  
23 it was in pretty bad shape.

24 Q. Does 424 Avaline own any other  
25 assets other than the building we've been

1 J. REYES

2 talking about?

3 A. Nothing.

4 Q. And what is the current status  
5 of this building in terms of your --

6 MR. BEDNAR: Strike that.

7 Q. What is the LLC's plans with  
8 respect to this building?

9 A. We trying to get the CO.

10 Q. What is that?

11 A. Certificate of occupancy.

12 Q. So you've been working with New  
13 York City to get that?

14 A. Yes.

15 Q. And what's the status of that?

16 A. We still have to have some  
17 inspection for what they call the cross  
18 valve connections and after that they say  
19 that we have to apply for certificate of  
20 occupancy and they want to let us know what  
21 we need.

22 Q. And once the certificate of  
23 occupancy comes through, what is the LLC's  
24 plan after that with respect to the  
25 building?



1 J. REYES

2 A. We want to rent it for a number  
3 of organizations hopefully, for some  
4 people, that are homeless or veterans, and  
5 to give it to a nonprofit organization.

6 Q. And just to confirm, currently  
7 is the LLC collecting any rents from any  
8 tenants?

9 A. Nothing. There are no tenants.

10 Q. There are no tenants there yet?

11 A. No, not at all.

12 Q. Dr. Reyes --

13 MR. LERNER: You mentioned the  
14 name of a valve?

15 THE WITNESS: That was the name  
16 that they called it, the cross valve.

17 Q. Dr. Reyes, you mentioned a  
18 cross valve. What is that?

19 A. I believe that it's what they  
20 call backflow protection valve and I think  
21 that in New York any building had to have  
22 that so that any dirt going to the shore,  
23 it doesn't going to come back into the  
24 building.

25 Q. Dr. Reyes, which languages do

1 J. REYES

2 you speak?

3 A. I speak Spanish. I'm trying to  
4 speak English.

5 Q. Do you know any other  
6 languages?

7 A. No.

8 Q. Are you married?

9 A. Yes.

10 Q. And what is the name of your  
11 wife?

12 A. Catherine Reyes.

13 Q. And how is her first name  
14 spelled?

15 A. She spells it with C and  
16 sometimes with K.

17 Q. Why sometimes C and sometimes  
18 K?

19 A. I always wondered that. I  
20 never knew.

21 Q. And how long have you been  
22 married to her?

23 A. 57 years.

24 Q. And where was she born?

25 A. Born in New York.

1 J. REYES

2 Q. Is she a United States citizen?

3 A. Yes.

4 Q. What is her current occupation?

5 A. Say it again.

6 Q. What is her current occupation?

7 A. An American doctor.

8 Q. No, your wife.

9 A. She help me with doing billing  
10 on my -- for my practice.

11 Q. So she does medical billing  
12 work for you?

13 A. Yes.

14 Q. How long has she been doing  
15 that?

16 A. Maybe 10 years, 15 years.

17 Q. What occupation did she have  
18 before doing medical billing work for you?

19 A. Raising children.

20 Q. In the early part of the 2010  
21 decade, what was Ms. Reyes's occupation?

22 A. Still supervising the children  
23 and probably was already billing sometimes  
24 on my practice.

25 Q. Dr. Reyes, what are the names

1 J. REYES

2 of your parents?

3 A. My father is named also Juan D.  
4 Reyes and my mother the Teresa Reyes.

5 Q. And are either of them still  
6 alive?

7 A. No, they deceased.

8 Q. When did they pass away?

9 A. Around 2003.

10 Q. Where did you parents live?

11 A. In Nicaragua, in a city named  
12 Chinandega, C-H-I-N-A-N-D-E-G-A.

13 Q. What did your father do for the  
14 living?

15 A. They own a bakery and they also  
16 own a cotton plantation.

17 Q. Your parents together owned  
18 both of those businesses?

19 A. Yes.

20 Q. Were those successful  
21 businesses in your opinion?

22 A. I would say so.

23 Q. What was any one of those two  
24 more successful than the other?

25 A. One was more successful than

1 J. REYES

2 the other, one alternate; it depended also  
3 on the price of the cotton.

4 Q. Dr. Reyes, have you ever had  
5 children?

6 A. Yes, I do.

7 Q. Can you please state the names  
8 of your children?

9 A. The name, the oldest one, the  
10 name was Alexander Reyes; the other one,  
11 like me, Juan D. Reyes III, and Catherine.

12 Q. And who is the oldest out of  
13 the three, and who is the youngest, and who  
14 is in the middle?

15 A. Alex was the oldest one but he  
16 died in an accident, I believe, in around  
17 2003.

18 Q. And out of the three who is  
19 middle child?

20 A. Juan.

21 Q. And then Catherine is the  
22 youngest?

23 A. The youngest.

24 Q. Can you please state the  
25 occupation or occupations that each of your

1 J. REYES

2 children has had?

3 A. Alex used to work for a bank  
4 and I don't know, it seem to be there was  
5 some kind of broker, and Juan is a lawyer,  
6 and my daughter, she's a teacher.

7 Q. Let me ask you just a couple of  
8 things about Alex. Did he complete his  
9 undergraduate education?

10 A. Yeah, he did.

11 Q. Where did he obtain his degree,  
12 what school?

13 A. The college?

14 Q. Yes.

15 A. Villanova.

16 Q. And what was his degree in?

17 A. I don't remember.

18 Q. You mentioned there was some  
19 stock related work he was doing.

20 MR. LERNER: He said broker.

21 It could mean a mortgage broker, it  
22 could mean --

23 MR. BEDNAR: Sure.

24 Q. Let me ask you a more general  
25 question. After graduating from Villanova,

1 J. REYES

2 what type of work did Alex do?

3 A. He work in a bank and tell you  
4 the truth, I never know exactly what Alex  
5 was doing. He was a little more difficult  
6 child that we have.

7 Q. Which bank did he work for?

8 A. Chase.

9 Q. Was he doing mortgage brokerage  
10 work?

11 A. I'm not so sure.

12 Q. Would you say in general he was  
13 familiar with the financial industry?

14 A. Yes.

15 Q. How long did he work at Chase?

16 A. I don't know. I don't recall.

17 Q. Turning to Juan Reyes III, you  
18 mentioned he's a lawyer. Where does he  
19 work, private practice, the government?

20 A. He's in private practice.

21 Q. When did he graduate from law  
22 school?

23 A. I don't remember exactly.

24 Q. What kind of -- what are his  
25 practice areas?

1 J. REYES

2 A. They call it zoning law.

3 Q. And is that what he's been  
4 working in since graduating from law  
5 school?

6 A. Yes.

7 Q. Did you want to elaborate?

8 A. Well, he remind he did work for  
9 the government after when he got out of the  
10 law school and he work here in city.  
11 Again, I wouldn't know exactly but I think  
12 it was a general counselors of standards  
13 and appeals, and then he became a zoning  
14 lawyer, and then private practice.

15 Q. Does he work for a law firm  
16 now?

17 A. He's a partner there in the law  
18 firm.

19 Q. What's the name of the law firm  
20 that he's a partner in?

21 A. It just changed. I don't know  
22 the name.

23 Q. And then Catherine Reyes, you  
24 said she's a teacher, correct?

25 A. She's a teacher.



1 J. REYES

2 Q. At what level is she teaching  
3 at?

4 A. In general, I think that she  
5 teaches as English as a second language.  
6 Catherine is divorced and just work part  
7 time. She became sick and she has  
8 problems.

9 Q. Is she teaching English as a  
10 second language to elementary students or  
11 high school, or what level?

12 A. Elementary school.

13 Q. Does she teach just at one  
14 school or does she go to different schools?

15 A. She go to different schools.

16 Q. Is your son, Juan Reyes III, is  
17 currently licensed to practice law in the  
18 United Kingdom?

19 A. I believe so but I'm not sure.

20 Q. Has he ever done any legal work  
21 in the United Kingdom?

22 A. Never as far as I know.

23 Q. Have you and Mrs. Reyes ever  
24 held a joint bank account?

25 A. Yes.

1 J. REYES

2 Q. Where have you done that?

3 A. Well, we have a bank account  
4 here in New York and a bank account in  
5 Lloyds Bank.

6 Q. The bank account in New York,  
7 which bank is that with?

8 A. Chase.

9 Q. Other than the joint Chase Bank  
10 account and the Lloyds Bank account, have  
11 you and Mrs. Reyes ever had any other joint  
12 bank accounts?

13 A. I don't think so.

14 Q. Now at one time, did you have a  
15 bank account with a bank called Banco de  
16 Londres y America del Sor?

17 A. That's correct, yes.

18 Q. Where was that account located?

19 A. In Managua in Nicaragua and I  
20 believe they had a branch in Chinandega  
21 also.

22 Q. When was that account opened?

23 A. Maybe around 1972.

24 Q. And why was that account  
25 opened?

1 J. REYES

2 A. My parents open this account  
3 because they want to give me some money  
4 when I start practicing in Nicaragua.

5 Q. So your parents helped open  
6 that account?

7 A. Yes.

8 Q. And in whose name was that  
9 account?

10 A. I believe it was in their name  
11 or my name. It could be either one. It  
12 could be in my name.

13 MR. BEDNAR: I'm going to have  
14 the court reporter mark an exhibit  
15 that will be Exhibit 1.

16 (Whereupon, Certificate of  
17 Non-Willful Conduct was marked as  
18 Exhibit 1 for identification as of  
19 this date by the Reporter.)

20 MR. BEDNAR: For the record,  
21 this is a document marked as  
22 Exhibit 1 with a Bates stamp starting  
23 with IRS\_0000287.

24 Q. Dr. Reyes, just please take a  
25 moment to review this document. I'll ask

1 J. REYES

2 you a couple of questions about it.

3 A. I think you can me a question.

4 Q. Dr. Reyes, what is your  
5 understanding of what this document is  
6 that's in front of you as Exhibit 1?

7 A. Well, the background of the  
8 account starting in Nicaragua and end up in  
9 Geneva and then the whole point until I  
10 brought the money into this country.

11 Q. So why don't you take a look at  
12 the very last page of this document. The  
13 very last page, it's on the bottom  
14 right-hand corner, you'll see the number  
15 295 as the Bates stamp on the very last  
16 page.

17 A. Okay. The use of credit card.

18 Q. No, I'm talking about the very  
19 last page. I think you may have a couple  
20 more pages to go. There you go. Is that  
21 your signature on here?

22 A. Yes.

23 Q. Is this a document that you  
24 prepared?

25 A. No, my lawyer prepared.

1 J. REYES

2 Q. Which lawyer?

3 A. Doug Allen.

4 Q. Was this a document that was  
5 provided to the IRS?

6 A. Yes, I think so.

7 Q. I want to direct your attention  
8 to -- it's earlier on this document. In  
9 the right-hand it'll be a number ending in  
10 289 and there's a paragraph at the top that  
11 starts with "in approximately 1972."

12 A. Yes.

13 Q. Do you see the second sentence  
14 that says "they" -- referring to your  
15 parents -- "opened an account in my name"?

16 A. Yes.

17 Q. So does that refresh your  
18 recollection as to in whose name the Banco  
19 de Londres y America del Sor account was  
20 in?

21 A. It was in my name.

22 Q. We may refer to this document  
23 from time to time to refresh your  
24 recollection. I know it's a lot of details  
25 and timelines involved; this may be helpful

1 J. REYES

2 for us. Now just kind of asking more  
3 general questions. What was the source of  
4 funds to open up this account?

5 A. Their own money.

6 Q. This is your parent's money?

7 A. My parents' money.

8 Q. How much money did they put  
9 into the account to start it up?

10 A. I believe there was maybe  
11 200,000.

12 Q. \$200,000?

13 A. Dollars, yes.

14 Q. So it's with Banco de Londres y  
15 America del Sor. After that, did Banco de  
16 Londres become part of Lloyds Bank?

17 A. I believe they were always part  
18 of Lloyds Bank I think.

19 Q. Why don't you turn to --

20 A. I know there's some discrepancy  
21 there but that's my belief.

22 Q. Now let's turn to the page on  
23 the right-hand corner that says 291. I  
24 think what I'll do is I'm going to read a  
25 couple sentences and I'm going to ask you

1 J. REYES

2 whether you agree with what was said there  
3 just to establish the history of the  
4 financial institution. There is a sentence  
5 that says "Banco de Londres became a part  
6 of Lloyds Bank and ultimately Lloyds TSB  
7 Bank PLC. The original account was first  
8 transferred to Lloyds Bank International  
9 Limited at 40-66 Queen Victoria Street in  
10 London EC4P4EL, and in the early 1990s, at  
11 Lloyds Bank PLC Treasury Division Faryners  
12 House EC3R8BQ. The account was then moved  
13 on the bank's initiative to Lloyds TSB Bank  
14 PLC Zurich and finally to Geneva."

15 I read you a couple of  
16 sentences. Is your understanding of the  
17 history of the financial institution  
18 consistent with what I just read?

19 A. That is my understanding.

20 Q. When was the -- let me just  
21 establish something. I'm going to say when  
22 I say "the account," I intend to mean the  
23 account that's the subject of this  
24 litigation, that was originally opened in  
25 1972 with Banco de Londres y America del

1 J. REYES

2 Sor, that went through these various  
3 iterations until ultimately Lloyds Bank in  
4 Geneva. So I am going to call that the  
5 account. Is it okay if I call it "the  
6 account" from now on so we don't have to go  
7 through the entire description?

8 MR. LERNER: What if he says  
9 no?

10 MR. BEDNAR: Then I would have  
11 to give the entire long winded  
12 description of it.

13 Q. When was the account finally  
14 closed?

15 A. I would have to guess more or  
16 less 2014.

17 Q. Let's take a look on the same  
18 page. It's not far after that. There is a  
19 sentence that says "at the end of 2013,  
20 when advise of reporting tax  
21 responsibilities we closed the accounts and  
22 moved the balance to the New York." So  
23 does that refresh your recollection as to  
24 when the account was closed?

25 A. Yes, and they say here they was



1 J. REYES

2 discontinued the operations in Switzerland  
3 in 2014. Everything was 2013, 2014.

4 Q. So the accounts closed around  
5 the end of 2013. What happened to the  
6 funds in the account?

7 A. We transfer it to New York, I  
8 spoke to my lawyer, to Doug Allen, and they  
9 transferred it to New York.

10 Q. Did it go to a bank in New  
11 York?

12 A. Yes.

13 Q. Which bank was that?

14 A. Chase. I think Chase J.P.  
15 Morgan.

16 Q. J.P. Morgan Chase Bank?

17 A. Yes.

18 Q. What ultimately happened to the  
19 money once it got moved to Chase Bank in  
20 New York?

21 A. We spend that money in  
22 renovations of the building in 424 East  
23 138th Street and we also had to pay Mr.  
24 Doug Allen.

25 Q. Was there any other use of the

1 J. REYES

2 funds besides those two purposes?

3 A. I don't think so.

4 Q. Was any money paid to the IRS  
5 associated with income taxes?

6 A. Yes, we paid income taxes in  
7 New York and everywhere.

8 Q. Was there an audit done with  
9 the IRS with respect to your income taxes?

10 A. No. Mr. Allen instructed us  
11 that we have to pay the taxes and between  
12 him and our accountant, our Sidney  
13 Yoskowitz, they calculate it and they  
14 prepare all the papers.

15 Q. We'll explore that in more  
16 detail later on today but just to get a  
17 general idea about how much money from the  
18 account was used to pay income taxes out of  
19 the account, the Lloyds Bank account?

20 A. I wouldn't know.

21 Q. Okay. Just kind of a general  
22 question, going back to the original name  
23 of this account, Banco de Londres y America  
24 del Sor, was that a bank located in the  
25 United Kingdom or was that in Nicaragua?

1 J. REYES

2 A. In Nicaragua.

3 Q. It was a Nicaraguan bank?

4 A. Yes.

5 Q. Did Mrs. Reyes, at any point in  
6 time, become a joint owner of the account?

7 A. Yes.

8 Q. When did that happen?

9 A. The exact date I don't know. I  
10 don't remember.

11 Q. Are we talking about in the  
12 early 2000s, before then, could you maybe  
13 put a decade to it?

14 A. I would be guessing.

15 MR. BEDNAR: I'm going to have  
16 the court reporter mark what will be  
17 Exhibit 2.

18 (Whereupon, Lloyds Bank Account  
19 Application was marked as Exhibit 2  
20 for identification as of this date by  
21 the Reporter.)

22 MR. BEDNAR: For the record,  
23 this is a document with the Bates  
24 stamp beginning in LLOYD\_000003.

25 Q. Dr. Reyes, when you've had a

1 J. REYES

2 chance to look at it, let me know and I  
3 will ask you a couple of questions about  
4 it.

5 A. Okay.

6 Q. So Dr. Reyes, what is your  
7 understanding of what this document is  
8 that's in front of you as Exhibit 2?

9 A. My understanding is that it's  
10 my lawyer in New York have to get in touch  
11 with Lloyds Bank to transfer the money here  
12 in New York.

13 Q. Actually let me ask it a  
14 different way. Is this an application to  
15 open up an account with Lloyds Bank?

16 MR. BEDNAR: For the record,  
17 this is a document that was obtained  
18 through Lloyds Bank's U.S. based  
19 counsel as part of this case that was  
20 produced to Mr. Lerner. Could the  
21 court reporter ask the question  
22 again.

23 (Whereupon, the referred-to  
24 question was read back by the  
25 Reporter.)

1 J. REYES

2 A. I never seen this -- I never  
3 recall seeing this document. It probably  
4 was a document signed with Lloyds Bank.

5 Q. So can we at least agree that  
6 the title of this document is application  
7 for opening of an account and general  
8 conditions and it says, below that, Lloyds  
9 Bank International Private Banking?

10 A. Yes, that's right.

11 Q. Why don't we turn to page 12  
12 and the right-hand corner. This is the  
13 section called account holders. Did you  
14 sign this document?

15 A. I'm looking here. I see the  
16 account holder but I don't see where I  
17 signed.

18 Q. On the left-hand side, where it  
19 says places and date of birth, do you see a  
20 JDR?

21 A. Yeah, I see that.

22 Q. Are those your initials?

23 MR. LERNER: Are you asking  
24 whether those are his initials or  
25 whether he initialled?

1 J. REYES

2 Q. Did you initialize this  
3 document that way with JDR?

4 A. It's possible.

5 Q. Are the owners, when the  
6 account was with Lloyds Bank --

7 MR. LERNER: When you say it's  
8 possible, simply do you recognize it  
9 to be your handwriting?

10 THE WITNESS: Say that again.

11 MR. LERNER: Do you recognize  
12 that to be your own handwriting?

13 THE WITNESS: It's probably my  
14 handwriting.

15 Q. When the account was with  
16 Lloyds Bank, including when it was in  
17 London and when it was in the United  
18 Kingdom, and then when it was in  
19 Switzerland, who were the owners of the  
20 account?

21 A. At one point I was the only  
22 owner and then it was my wife and I.

23 Q. Was anyone else ever an owner  
24 of the Lloyds Bank account?

25 A. I don't think so.

1 J. REYES

2 Q. One more question on this. At  
3 the last page of this, if you just turn to  
4 that. I have a couple of questions. And  
5 this is the page with the bottom right-hand  
6 corner ending in 13. There is a line that  
7 says signature of the account holders. Do  
8 you see that?

9 A. Yes.

10 Q. Is that your signature on  
11 there?


12 A. Yes, it is.

13 Q. And above that, is that your  
14 wife's signature?

15 A. Yes.

16 Q. And towards the bottom and the  
17 section says for bank use only. Do you see  
18 a line called basic number and there's a  
19 number next to that?

20 A. Yes.

21 Q. And the number  250, do you  
22 recognize that number?

23 A. I don't.

24 Q. Is that a client ID number for  
25 you and your wife with respect to the

1 J. REYES

2 Lloyds Bank?

3 A. I guess so but I don't  
4 recognize that.

5 MR. BEDNAR: I'm going to have  
6 the court reporter mark this as  
7 Exhibit 3.

8 (Whereupon, Lloyds Bank  
9 Signature Card Document was marked as  
10 Exhibit 3 for identification as of  
11 this date by the Reporter.)

12 MR. BEDNAR: For the record,  
13 this is a document with the Bates  
14 stamp beginning LLOYD\_000036.

15 Q. Dr. Reyes, what is your  
16 understanding what this document is that's  
17 been marked as Exhibit 3?

18 A. I don't even know at this  
19 point.

20 Q. Is it fair to say that this  
21 appears to be a signature card with respect  
22 to the Lloyds Bank account?

23 A. Yes.

24 Q. And whose signatures are on the  
25 that first page?



1 J. REYES


2 A. My wife and my signature.

3 Q. And above that, does it say  
4 account holders?

5 A. Yes.

6 Q. So is it your understanding  
7 that you and your wife were the account  
8 holders of the Lloyds Bank account?

9 A. Yes.

10 Q. And in the right-hand corner,  
11 do you see the numbers  .250?

12 A. Yes.

13 Q. Is that the same number that we  
14 saw on the previous exhibit on the last  
15 page?

16 A. Yes.

17 Q. Did you and your wife have  
18 signature authority over the Lloyds Bank  
19 account?

20 A. Yes, we did.

21 Q. Did anyone else have signature  
22 authority, besides you and your wife, with  
23 respect to the Lloyds Bank account?

24 A. I don't think so.

25 MR. LERNER: We're talking

1 J. REYES

2 about the Lloyds Bank account that's  
3 in Switzerland?

4 Q. Let's talk about Lloyds at any  
5 point in time, whether it was in the United  
6 Kingdom or Switzerland --

7 A. Nobody else.

8 Q. I just want to ask it to  
9 establish this. Did you and your wife have  
10 signature authority over the Lloyds Bank  
11 account, including the time it was Lloyds  
12 Bank in the United Kingdom all the way  
13 through when it was in Switzerland?

14 A. Yes.

15 Q. Did anyone else have signature  
16 authority over the Lloyds Bank account,  
17 again from the time it was in the United  
18 Kingdom through Switzerland, other than you  
19 and your wife?

20 A. I believe nobody.

21 Q. You can set aside that exhibit.  
22 Did you or your wife ever make any  
23 withdrawals from the Lloyds Bank account?

24 A. Yes.

25 Q. How so?

1 J. REYES

2 A. With a credit card.

3 Q. So in using the credit card,  
4 were cash withdrawals made?

5 A. Yes.

6 Q. And were withdrawals made in  
7 the form of using the credit card to buy  
8 things?

9 A. I think both.

10 Q. For how long of a period was  
11 the credit card used in this manner?

12 A. I wouldn't know.

13 Q. Did you and/or your wife use a  
14 credit card to withdraw cash and for  
15 purchases from the very beginning of  
16 setting up the Lloyds Bank account in the  
17 United Kingdom?

18 A. Not really, no.

19 Q. Did that occur later?

20 A. Yes.

21 Q. How much later?

22 A. Much later.

23 Q. Was that more when it was in  
24 Switzerland?

25 A. Probably.

1 J. REYES

2 Q. Can you put a beginning point  
3 in time for that?

4 A. I would say approximately maybe  
5 in 2003, 2004.

6 Q. I'm just asking for an  
7 estimate. I don't expect you to have a  
8 precise number but how much in monthly  
9 withdrawals were made out of the Lloyds  
10 Bank account using a credit card?

11 A. They were different numbers,  
12 whatever we needed.

13 Q. Was it typically a few thousand  
14 dollars a month or are we talking about  
15 more?

16 A. I think a few thousand dollars  
17 a month I think.

18 Q. Were there ever any deposits  
19 made into the account ever since it was  
20 formed in 1972, with Banco de Londres, all  
21 the way through closing in 2013?

22 A. Never.

23 MR. LERNER: Do you mean by him  
24 or do you mean by his parents because  
25 we're still back -- you're bringing

1 J. REYES

2 it all the way back to Nicaragua.

3 MR. BEDNAR: I will it say for  
4 any source.

5 Q. Let me ask the question again.  
6 Were there ever any deposits into the  
7 account, from any source whatsoever, from  
8 the time it was opened in 1972 with Banco  
9 de Londres, through the time it was closed  
10 in 2013 when it was Lloyds Bank?

11 A. I believe not.

12 Q. So the \$200,000 that were  
13 initially deposited by your parents back in  
14 1972, did that ultimately just grow on its  
15 own through market gains?

16 A. Yes.

17 Q. We've talked about a credit  
18 card and we'll explore this in more detail  
19 later. So was there a credit card linked  
20 to the Lloyds Bank account in order to make  
21 withdrawals?

22 A. I believe so.

23 Q. And how many credit cards were  
24 there that were used in such a manner?

25 A. I wouldn't know.

1 J. REYES

2 Q. Was it just one or were there  
3 multiple cards?

4 A. Probably one at a time.

5 Q. And whose name were the credit  
6 cards?

7 A. My wife's name and my name.

8 Q. Were they joints or was it just  
9 one spouse or another?

10 A. Say that again. They were  
11 separate.

12 Q. I want to kind of hone in on  
13 what makes up the Lloyds account that you  
14 and your wife had. What were the component  
15 items of the Lloyds Bank account? And when  
16 I say that I mean was it all just cash  
17 sitting there, was it securities, was it  
18 money market funds, what made it up?

19 A. I know that they were mixed but  
20 I wouldn't know exactly what it was.

21 Q. I've got a document that might  
22 help explore this some more.

23 MR. BEDNAR: So this will be  
24 Exhibit 4. For the record, this is a  
25 document Bates stamped beginning with

1 J. REYES

2 IRS\_0001418.

3 (Whereupon, 3/31/12 Lloyds Bank  
4 Statement was marked as Exhibit 4 for  
5 identification as of this date by the  
6 Reporter.)

7 Q. Dr. Reyes, just let me know  
8 when you've had a chance to look at this.

9 A. Okay.

10 Q. Dr. Reyes, what is your  
11 understanding of what this document is  
12 that's in front of you marked as Exhibit 4?

13 A. The different component of the  
14 bank account in Lloyds Bank.

15 Q. At a real high level, is it  
16 fair to say that this is a statement of the  
17 Lloyds Bank account that you and your wife  
18 had, as of March 31, 2012?

19 A. Okay.

20 Q. Is that what this is, a  
21 statement as of March 31, 2012?

22 A. Yes.

23 Q. Before I get into this, just a  
24 general question. Did you and/or your wife  
25 ever receive statements from Lloyds Bank?

1 J. REYES

2 A. Yeah, we did.

3 Q. How did you receive it?

4 A. I believe by mail.

5 Q. So Lloyds mailed statements to  
6 you and your wife?

7 A. Yes.

8 Q. How often did they mail them to  
9 you?

10 A. Very rare. What happened is I  
11 was -- maybe I was never so interested in  
12 money and I knew the money was there and it  
13 was just, at one point, it was just in cash  
14 and then they decide, with that program,  
15 that we could invest in different things to  
16 make it grow but I really wasn't so much  
17 interested in that money because I believed  
18 it was going to be there and I never pay so  
19 much attention.

20 Q. To get back to the statements,  
21 were the Lloyds Bank statements sent to you  
22 automatically by the bank or is it because  
23 you or your wife asked for them?

24 A. Probably we asked.

25 Q. Was there a time when you



1 J. REYES

2 and/or your wife requested Lloyds Bank to  
3 send a statement?

4 A. To send a statement?

5 Q. Yes.

6 A. Yes, I'm sure.

7 Q. When did that happen?

8 A. I wouldn't know.

9 Q. Did that happen more than once?

10 A. Probably.

11 Q. So when a statement was  
12 requested, did Lloyds Bank transmit it to  
13 you or your wife through the mail? How did  
14 they get it to you?

15 A. I believe I mailed.

16 Q. United States mail?

17 A. Yes.

18 Q. Did Lloyds Bank use any other  
19 method of transmitting statements to you or  
20 your wife?

21 A. Not that I remember.

22 Q. Other than requesting  
23 statements from the Lloyds Bank --

24 MR. BEDNAR: Strike that.

25 Q. Was the request for statements

1 J. REYES

2 something that you or your wife did  
3 sporadically?

4 A. I would say so.

5 Q. Other than getting statements  
6 from Lloyds Bank on a sporadic basis upon  
7 request, did Lloyds Bank ever send you  
8 statements as a matter of course?

9 A. I don't think so.

10 Q. Do you get statements from  
11 Chase Bank for your account there?

12 A. Yes.

13 Q. How often do you get those  
14 statements?

15 A. Believe it or not, I don't  
16 know.

17 Q. Do they send them to you  
18 monthly in some format?

19 A. I'm not really sure.

20 Q. Let's turn to Exhibit 4. So on  
21 the second page, which is the page with the  
22 Bates number ending in 1419, it's got two  
23 polygraphs on the bottom. Is it fair to  
24 say that the balance of your Lloyds Bank  
25 account, you and your wife's Lloyds Bank

1 J. REYES

2 account, the balance was about \$2,053,423  
3 as March 31, 2012?

4 A. Yes, that's right.

5 Q. Is that total amount broken up  
6 into various component items?

7 A. Yes.

8 Q. Is one of them called  
9 securities?

10 A. Yes, that's right.

11 Q. And so out of that \$2 million  
12 plus dollars total balance, was about  
13 \$1.5 million of that consisting of  
14 securities?

15 A. Yes, it's written there.

16 Q. What kind of securities was the  
17 account invested in?

18 A. I'm so ignoramus about the  
19 market that I don't even know.

20 Q. Above that is the second  
21 component of the total \$2 million and a  
22 component called the fiduciary deposits,  
23 money market instruments, and money market  
24 funds.

25 A. What line is that?

1 J. REYES

2 Q. Out of the three, it's the  
3 second line.

4 A. Okay, I see it.

5 Q. So out of the \$2 million, we've  
6 established that as of March 31, 2012, a  
7 million and a half of it was securities,  
8 and another 500,000 or so was fiduciary  
9 deposits, money market instruments and  
10 money market funds; is that correct?

11 A. Yeah, it's written there, yes.

12 Q. What kind of fiduciary  
13 deposits, money market instruments, and  
14 money market funds was this account  
15 invested in?

16 A. I don't know.

17 Q. And then is it fair to say that  
18 the third and final category, or component  
19 item, of the \$2 million balance, as of  
20 March 31, 2012, was accounts?

21 A. Yes.

22 Q. And was that purely cash?

23 A. I don't think so.

24 Q. We'll explore that in --

25 A. I think it is the total of

1 J. REYES

2 securities and the cash.

3 Q. I'm sorry, can you repeat that  
4 again?

5 A. I think it's the total of  
6 securities and the fiduciary deposit or  
7 whatever it is, that's the total amount  
8 that we have.

9 Q. I was asking about the first  
10 line end called accounts with the balance  
11 of \$8,801. Do you see that?

12 A. Yes.

13 Q. Is that \$8,000, was that  
14 purely cash or some other form?

15 A. I don't know. I wouldn't know.

16 Q. Okay. The next page might help  
17 explore that some more so if you can turn  
18 to the next page.

19 MR. LERNER: What Bates number?

20 MR. BEDNAR: 1420.

21 Q. Do you see the \$8,801 we were  
22 just talking about?

23 A. Yes.

24 Q. It appears from this, would you  
25 agree that there's two component items of

1 J. REYES

2 that \$8,000, right?

3 A. Yes.

4 Q. And was there an account number  
5 of 112 in British pounds that had a balance  
6 of \$2,494?

7 MR. LERNER: Objection.

8 A. Yes.

9 Q. Was there also an account  
10 number \$110 with a valuation of \$6,307?

11 A. Yeah, okay I see it.

12 Q. Do you see that?

13 A. Yeah.

14 Q. Do you see the \$6,307 that's  
15 referring to an account 110 in U.S.  
16 dollars?

17 MR. LERNER: It's here. It's  
18 rounded up for some reason.

19 A. 6,307.

20 Q. Let me just summarize. We've  
21 established already -- correct me if I'm  
22 wrong -- that out of the \$2 million dollars  
23 or so in this account, on March 31, 2012,  
24 \$8,801 are categorized as accounts; is that  
25 right?

1 J. REYES

2 A. Yes.

3 Q. And now I'm trying to establish  
4 how that's broken down further. So the  
5 \$8,801 is an account, is it fair to say,  
6 that consists of two different accounts,  
7 one in British pounds, one in U.S. dollars,  
8 one with account number 112 and one with  
9 account number 110?

10 A. If it is written there, it have  
11 to be like that.

12 Q. Are these two accounts, the  
13 account, 112, in British pounds and the  
14 account number, 110, in U.S. dollars, is  
15 that cash?

16 A. I wouldn't know.

17 MR. LERNER: I will stipulate  
18 that that's what it appears to be.

19 A. I don't really understand this.

20 Q. Let me ask you one other  
21 question on the following page and move on  
22 from this exhibit. This is a page, a Bates  
23 number, ending in 1421. Do you see a  
24 section in the middle called pledges and  
25 guarantees with the negative 20,000

1 J. REYES

2 description credit card. Do you see that?

3 A. Yeah, I see it.

4 Q. What is your understanding of  
5 what this negative \$20,000 labelled as  
6 pledges and guarantees is, in credit card?

7 A. I wouldn't know but I believe  
8 that we used the credit card.

9 Q. We can put this aside.

10 MR. BEDNAR: Off the record.

11 (Whereupon, an off-the-record  
12 discussion was held.)

13 (Whereupon, a short recess was  
14 taken.)

15 Q. Just a couple things on  
16 Exhibit 4, which we were just looking at.  
17 Back on the page ending in 1420 is the  
18 Bates stamp on the right-hand corner. In  
19 the upper right-hand there's a number,  
20 635250. Do you see that?

21 A. Yes.

22 Q. Is that the client ID number  
23 associated with you and your wife's Lloyds  
24 Bank account?

25 A. I believe so.



1 J. REYES

2 Q. We talked for a while about the  
3 current account section with the account  
4 112 and 110. I just want to confirm, were  
5 these simply just components of the one  
6 Lloyds Bank account?

7 A. I think so.

8 Q. In other words, it wasn't like  
9 you and your wife didn't have entirely  
10 separate bank accounts somewhere else  
11 that --

12 A. No, we didn't.

13 Q. So just to confirm, when it  
14 says account 112 and 110 on the left-hand  
15 side, these were not separate bank accounts  
16 that you and your wife had with either  
17 Lloyds or some other institution?

18 A. No, they were not.

19 Q. Can you turn back to Exhibit 3  
20 just momentarily. This was the signature  
21 card. On the second page of that, do you  
22 see a date that says 2/2/94?

23 A. Yes.

24 Q. Did you and/or your wife sign  
25 this signature card around February of

1 J. REYES

2 1994?

3 A. I wouldn't know but I guess so.

4 Q. Could you turn back to  
5 Exhibit 2 very briefly. This was the  
6 application to open an account. I had  
7 asked you about whether you signed this  
8 document and some initials. I didn't ask,  
9 and I want to ask now, if you go to the  
10 page with the Bates number ending in 0006,  
11 do you see on the left-hand side there is  
12 some initials?

13 A. Yes.

14 Q. Are your initials contained in  
15 there?

16 A. Yes.

17 Q. And on the next page, there's a  
18 couple of boxes with some initials. Are  
19 your initials in there too?

20 A. Yes.

21 Q. And when I say your initials,  
22 for both this page and the previous page,  
23 did you initial those two pages?

24 A. I did.

25 Q. At one time I asked you about

1 J. REYES

2 when your wife was added as a joint owner  
3 of the account. I wanted to point you back  
4 to Exhibit 1 because I think maybe we can  
5 narrow that down a little bit more. Can  
6 you, on that exhibit, go to the Bates page  
7 ending in 291, in the right-hand corner.

8 A. Yes.

9 Q. So the very last paragraph it  
10 starts with -- I'll just read the sentence  
11 -- "after my parents opened the account at  
12 Banco de Londres, and when it seemed  
13 certain that it was unsafe to return to  
14 Nicaragua, my wife's name was added to the  
15 account." Does that help you narrow down  
16 when your wife was added as a joint owner?

17 A. Not really. I don't remember.  
18 I know there was at one point but I cannot  
19 pinpoint.

20 Q. Was she added as a joint owner  
21 before the account became a Lloyds account?

22 A. No, I know it was after that.

23 MR. LERNER: A Lloyds account  
24 in London you mean?

25 A. It was when it was in London.

1 J. REYES

2 Q. I just want to ask you a couple  
3 of questions about your son Alex. You  
4 testified he worked at Chase Bank for some  
5 time, correct?

6 A. Yes.

7 Q. Did he pass away in 2003 or  
8 2013?

9 A. I think 2003. If there is  
10 something in relation, I will answer. I  
11 appreciate not to bring that because it's  
12 really a very sad time for me.

13 Q. Sure. I want to ask one more  
14 question about it but not in the context of  
15 his passing away but a different context  
16 and I will move on. Did he give you any  
17 advice on transferring the funds from the  
18 Lloyds Bank to Chase Bank?

19 A. No.

20 Q. Let's move on to a different  
21 document.

22 MR. BEDNAR: This will be  
23 Exhibit 5 I believe.

24 (Whereupon, 2012 Lloyds Bank  
25 Statements were marked as Exhibit 5

1 J. REYES

2 for identification as of this date by  
3 the Reporter.)

4 MR. BEDNAR: For the record,  
5 this is a document marked as  
6 Exhibit 5 with the Bates number  
7 beginning with IRS\_1610.

8 Q. Dr. Reyes, when you've had a  
9 chance to just flip through this and read  
10 it, please let me know.

11 A. Okay.

12 Q. Dr. Reyes, what's your  
13 understanding of what this document is?

14 A. This one is that we withdraw  
15 cash from the bank account from Lloyds.

16 Q. Are these statements from  
17 Lloyds accounts covering various months in  
18 2012 that pertain just to the cash portion  
19 of the Lloyds account?

20 A. I believe it's the cash account  
21 that we're withdrawing from them.

22 Q. Okay. On the very first page,  
23 the cover page of this document, there is a  
24 notation that says "keep mail." Do you see  
25 that?

1 J. REYES

2 A. Yes.

3 Q. What is your understanding of  
4 what that means?

5 A. I have no idea.

6 Q. Is it referring to Lloyds Bank  
7 to not send mail to you and your wife?

8 A. I don't know.

9 Q. Let's go to the third page in  
10 which has a Bates stamp ending in 1612.

11 A. Yes.

12 Q. There's a line with a date of  
13 January 25, 2012, transaction details, UBS  
14 card center AG, debit, 921.95 US Dollars.  
15 Do you see that?

16 A. Yes, I see it.

17 Q. What is UBS card center AG?

18 A. I think it was the credit card.

19 Q. Does this have to do with the  
20 credit card associated with the Lloyds  
21 account?

22 A. I believe so.

23 Q. And is \$925 being debited or  
24 reducing the account balance?

25 A. I believe so.

1 J. REYES

2 Q. So is it fair to say that, with  
3 respect to that transaction we just walked  
4 through, the cash portion of the Lloyds  
5 account was used to pay a credit card?

6 A. Yes.

7 Q. And I'm going to show you  
8 another exhibit. This will be, I believe,  
9 number 6.

10 (Whereupon, 2012 Lloyds  
11 Transaction Statements were marked as  
12 Exhibit 6 for identification as of  
13 this date by the Reporter.)

14 MR. BEDNAR: For the record,  
15 this Exhibit 6 has a beginning Bates  
16 number of IRS\_0001983.

17 Q. Once you've had a chance to  
18 review it, please let me know and I'll ask  
19 you a couple of questions about it.

20 A. Okay.

21 Q. Dr. Reyes, what is your  
22 understanding of what this document is  
23 that's been marked as Exhibit 6?

24 A. Again withdrawing money with  
25 different card from Lloyds Bank.

1 J. REYES

2 Q. Is it fair to say that this  
3 Exhibit 6 contains individual transactions  
4 confirmations for different points in time  
5 in 2012?

6 A. Yeah, that's right.

7 Q. Let's go to just the second  
8 page, the one that ends in 1984 on the  
9 right-hand corner. So a couple minutes ago  
10 we looked at the cash statement and we  
11 focused on a transaction, January 25, 2012,  
12 of \$921.95 with the description of UBS card  
13 center AG. That was in Exhibit 5. Do you  
14 see on this page, on Exhibit 6, that same  
15 number, \$921.95?

16 A. Yeah, I see it.

17 Q. Okay. And do you see next to  
18 beneficiary, it says UBS card center AG.  
19 Do you see that?

20 A. Yes.

21 Q. Do you see below that, next to  
22 reference, it says Master Gold. Do you see  
23 that?

24 A. Yes.

25 Q. And a long number there. What



1 J. REYES

2 is Master Gold?

3 A. I believe it was another credit  
4 card.

5 Q. And did you or your wife or  
6 and/or your wife have a Master Gold credit  
7 card?

8 A. I think so.

9 Q. And was that credit card then  
10 linked to the Lloyds Bank account so that  
11 Lloyds Bank fund --

12 MR. BEDNAR: Strike that.

13 Q. Was that Master Gold credit  
14 card linked to your Lloyds Bank account so  
15 that it can be used to pay credit card  
16 bills and withdraw cash?

17 A. Yes.

18 Q. And let's turn to the page  
19 behind that. There is a reference to --  
20 it's in the middle of the page -- guarantee  
21 number G2249.

22 A. What page is that?

23 Q. 1985.

24 MR. LERNER: Which exhibit?

25 MR. BEDNAR: This is Exhibit 6.

1 J. REYES

2 Q. There is in the reference in  
3 the middle, guaranty number G2249, in favor  
4 of UBS AG. What is the guarantee in  
5 reference to?

6 A. I have no idea.

7 Q. If you can just turn a couple  
8 of more pages to 1987. Do you see the  
9 reference to UBS Card Center AG?

10 A. Yes.

11 Q. And Master Gold again?

12 A. Yes.

13 Q. Is the amount \$4,684.55?

14 A. Yes.

15 Q. Is this another example of you  
16 and/or your wife's Master Gold credit card  
17 being associated with the Lloyds Bank  
18 account?

19 A. I think so.

20 Q. And was \$4,684.55 then  
21 withdrawn out of your Lloyds Bank account  
22 associated with this credit card?

23 A. That's correct.

24 MR. BEDNAR: Off the record.

25 (Whereupon, an off-the-record

1 J. REYES

2 discussion was held.)

3 Q. I'm going to show you document  
4 that's going to be marked as Exhibit 7.

5 (Whereupon, UBS Credit Card  
6 Statement was marked as Exhibit 7 for  
7 identification as of this date by the  
8 Reporter.)

9 MR. BEDNAR: For the record,  
10 this is a document with a Bates  
11 number beginning LLOYD\_002451.

12 Q. Dr. Reyes, when you've had a  
13 chance to review this, please describe what  
14 your understanding is of this exhibit?

15 A. Go ahead.

16 Q. What is this document that's  
17 been marked as Exhibit 7?

18 A. A statement that we did with  
19 the credit card.

20 Q. So is this a credit card with  
21 UBS AG?

22 A. I wouldn't know. I know we had  
23 a credit card always.

24 Q. Is it a UBS credit card?

25 A. Yes.

1 J. REYES

2 Q. And who opened this credit  
3 card?

4 A. I only can tell you probably it  
5 was sent to us like from the different  
6 bank, who send it to all the different  
7 people, and we accept.

8 Q. Is this a credit card in your  
9 wife's name or in your name or both?

10 A. Always separate credit card.

11 Q. But this one in particular, if  
12 you look at the first page, whose name was  
13 this card in?

14 A. My wife's name.

15 Q. And where was this card opened?

16 A. I wouldn't know.

17 Q. And do you agree this is  
18 statement from a period of time in 2007?

19 A. I think so.

20 Q. And previously we were looking  
21 at some statements and transactions in  
22 2012, and this Exhibit 7, a statement from  
23 2007, is it fair to say that you and your  
24 wife were you using credit cards linked to  
25 the Lloyds Bank account between 2007 and

1 J. REYES

2 2012?

3 A. Yes.

4 Q. Do you see in the upper  
5 left-hand corner there is an address box.  
6 It says Lloyds TSB Bank PLC. Do you see  
7 that?

8 A. Yes.

9 Q. Was this credit card statement  
10 sent directly to Lloyds Bank?

11 A. I believe so.

12 Q. Was it addressed to Lloyds  
13 Bank?

14 A. I guess so.

15 Q. Why would it be addressed to  
16 Lloyds Bank or why was it addressed to  
17 Lloyds Bank?

18 A. To me there was no reason why.  
19 I wouldn't say that the credit card, as far  
20 as I'm concerned, my credit card, we make  
21 our own money, it was my money, and I can  
22 do whatever I want.

23 Q. Just a couple more questions on  
24 this. Was this statement paid through you  
25 and your wife's Lloyds Bank account?

1 J. REYES

2 A. I think so, yeah.

3 Q. And take a look at some of the  
4 transactions for this credit cards. Are  
5 these personal charges for you and your  
6 wife?

7 A. I think so.

8 Q. Did you ever use a credit  
9 card --

10 MR. BEDNAR: Strike that.

11 Q. Did you and/or your wife ever  
12 use a credit card linked to the Lloyds Bank  
13 bank account for expenses of any of your  
14 businesses?

15 A. I don't think so.

16 Q. So were the credit cards only  
17 used for you and your wife's personal  
18 expenses?

19 A. And I mentioned to help my  
20 family that were getting out of Nicaragua.

21 Q. The statements from 2007, were  
22 you and your wife using credit cards linked  
23 to the Lloyds Bank account before 2007?

24 A. I wouldn't know.

25 MR. BEDNAR: This will be

1 J. REYES

2 Exhibit 8.

3 (Whereupon, 1/2007 Letter from  
4 UBS was marked as Exhibit 8 for  
5 identification as of this date by the  
6 Reporter.)

7 Q. Before we get into this  
8 exhibit, a general question. Did you or  
9 your wife receive statements for credit  
10 cards that were linked to the Lloyds Bank  
11 account?

12 A. I believe so.

13 Q. Were those statements sent to  
14 you and your wife as a matter of course or  
15 only because you requested them?

16 A. We probably requested.

17 Q. How often did you and your wife  
18 request the credit card statements? In  
19 other words, was that a sporadic request of  
20 was it --

21 A. A sporadic request.

22 Q. So let's go to Exhibit 8. This  
23 is a Bates number beginning with  
24 LLOYD\_02472. Dr. Reyes, what is your  
25 understanding of what this exhibit is?

1 J. REYES

2 A. I think the amount of money  
3 that we were using with the credit card.

4 Q. For a certain periods of time  
5 in 2006?

6 A. Yes.

7 Q. And was this a UBS credit card?

8 A. Yes.

9 Q. And this is a credit card  
10 linked to the Lloyds Bank account?

11 A. Yes.

12 Q. Did you or your wife receive  
13 this letter?

14 A. I wouldn't know.

15 Q. And there's a reference to  
16 information for your tax return. Is this  
17 referring to you and your wife's tax  
18 returns?

19 A. I guess so.

20 Q. Was this letter ever taken to  
21 account when preparing you and your wife's  
22 federal income tax returns?

23 A. I wouldn't know.

24 MR. BEDNAR: This will be  
25 Exhibit 9.



1 J. REYES

2 (Whereupon, 9/6/02 Letter to  
3 Dominic Wicht was marked as Exhibit 9  
4 for identification as of this date by  
5 the Reporter.)

6 MR. BEDNAR: For the record,  
7 this is a document with the Bates  
8 stamp LLOYD\_000015.

9 Q. Dr. Reyes, what is your  
10 understanding of what this document is?

11 A. Asking to send a credit card to  
12 some place.

13 Q. So who wrote this note?

14 A. I think my wife has the  
15 signature here.

16 Q. And when did she write this  
17 note?

18 A. I wouldn't know. I only can  
19 say the date that was written here.

20 Q. What's the year?

21 A. September 6, 2002.

22 Q. Did you see a reference, in  
23 upper left-hand corner, to a Dominic Wicht,  
24 W-I-C-H-T, upper left-hand corner?

25 A. Yeah, I see that.

1 J. REYES

2 Q. Who is that?

3 A. I wouldn't know. I really  
4 don't know.

5 Q. And there is a reference to  
6 your Eurocard statements. Do you see that?

7 A. Yes.

8 Q. What is a Eurocard?

9 A. I believe it's a credit card.

10 Q. Was it a credit card linked to  
11 the Lloyds Bank account?

12 A. It have to be.

13 Q. And the right bottom there, is  
14 your wife's name care of Fermin Martinez.

15 A. Yes.

16 Q. Who is Fermin Martinez?

17 A. He is a friend of ours in  
18 Madrid.

19 MR. LERNER: Can you read that  
20 back.

21 (Whereupon, the referred-to  
22 answer was read back by the  
23 Reporter.)

24 Q. Why were the Eurocard  
25 statements being requested to be sent to an

1 J. REYES

2 address in Madrid?

3 A. I can only speculate.

4 Q. Why weren't the Eurocard  
5 statements being requested to be sent to  
6 you and your wife's address in New York?

7 A. I believe we were going to go  
8 to Madrid and that was the reason. That  
9 might be speculation.

10 Q. Moving on to next exhibit,  
11 Exhibit 10.

12 (Whereupon, Application for  
13 ec/Maestro Card was marked as Exhibit  
14 10 for identification as of this date  
15 by the Reporter.)

16 MR. BEDNAR: Exhibit 10 has a  
17 Bates number of LLOYD\_000035.

18 Q. And Dr. Reyes, what is this  
19 document?

20 A. This is an application for a  
21 Maestro card.

22 Q. And who signed this document?

23 A. It's signed by my wife.

24 Q. And when did she sign it?

25 A. It's written here in

1 J. REYES

2 October 19, 2003.

3 Q. What is a Maestro card?

4 A. I really don't know.

5 Q. Do you see --

6 A. I believe it's a credit card.

7 Q. Do you see below the top third  
8 there an account number shown, [REDACTED] 250. Do  
9 you see that?

10 A. Yes.

11 Q. Is that the client ID number  
12 for the Lloyds Bank account for you and  
13 your wife's account?

14 A. I believe it is.

15 Q. So did you and your wife or  
16 your wife ultimately receive a Maestro  
17 card?

18 A. I think so.

19 Q. What was the card used for?

20 A. For the same purpose, to draw  
21 money to support my family and to support  
22 us.

23 Q. Why was this application signed  
24 in Madrid?

25 MR. BEDNAR: Strike that.

1 J. REYES

2 Q. Before we get to that, did your  
3 wife sign this in Madrid?

4 A. It's written here, yes.

5 Q. And why was it signed in  
6 Madrid?

7 A. We were in Madrid obviously.

8 Q. You said "always"?

9 A. Obviously.

10 Q. Why did you and your wife visit  
11 Madrid?

12 A. We had friends in Madrid and my  
13 great grandparents were originally from  
14 Spain so we feel like going to Spain but we  
15 only have friends.

16 Q. How many times have you been to  
17 Madrid?

18 A. I would calculate it maybe four  
19 times.

20 MR. LERNER: Let's go back for  
21 a second. Could we just clarify.  
22 Doctor, I think you said you were in  
23 Madrid in August of 2003. Did you  
24 mean October?

25 THE WITNESS: October.

1 J. REYES

2 Q. Did you receive mail associated  
3 with the account when it was at Banco de  
4 Londres?

5 A. I wouldn't know.

6 Q. Did you or your wife receive  
7 mail associated with the account when it  
8 was with Lloyds Bank in the UK?

9 A. I believe so.

10 Q. What mail did you and your wife  
11 receive?

12 A. I wouldn't know. It's too long  
13 ago. The statements.

14 Q. The statements on demand?

15 A. Yes, statements.

16 Q. The ones that you and your wife  
17 specifically asked for?

18 A. Yeah, that's right.

19 Q. Any other mail? Did you or  
20 your wife receive any other mail from  
21 Lloyds Bank in London?

22 A. I don't think so.

23 Q. So I will ask the same thing  
24 about Lloyds Bank Switzerland. Did you or  
25 your wife receive mail associated with the

1 J. REYES

2 account when it was at Lloyds Bank in  
3 Switzerland?

4 A. I believe so.

5 Q. What mail did you and your wife  
6 receive?

7 A. Statements.

8 Q. Statements that you and your  
9 wife specifically requested to be sent?

10 A. Yes.

11 Q. Any other mail?

12 A. I don't think so.

13 Q. Just to clarify, when you  
14 testified that you and your wife receive  
15 mail, the statements upon request, from  
16 Lloyds, what address did the mail get sent  
17 to?

18 A. To my house.

19 Q. Your house in --

20 A. Here.

21 Q. In Forest Hills, New York?

22 A. That's correct, yes.

23 MR. BEDNAR: Let's look at the  
24 next exhibit which will be number 11  
25 mash.

1 J. REYES

2 (Whereupon, Lloyds Bank "Keep  
3 Mail" Instructions was marked as  
4 Exhibit 11 for identification as of  
5 this date by the Reporter.)

6 MR. BEDNAR: For the record,  
7 this is a document with the Bates  
8 stamp on the right-hand corner,  
9 LLOYD\_000014.

10 Q. What is your understanding of  
11 what this document is?

12 A. Not to keep sending the  
13 correspondence for a while.

14 Q. Is this a keep mail instruction  
15 sheet associated with your Lloyds Bank  
16 account?

17 A. Yes.

18 Q. Is that a yes?

19 A. Yes.

20 Q. Did you and your wife sign this  
21 document?

22 A. It is signed by both, yes.

23 Q. I just want to read out loud.  
24 Right below where it says "keep mail  
25 instructions," it says "I/we hereby



1 J. REYES

2 instruct the bank to retain in future all  
3 my/our correspondence." Why did you and  
4 your wife agree to these instructions?

5 A. I wouldn't know. There was no  
6 reason.

7 Q. Were you or your wife concerned  
8 about getting mail regarding this account?

9 A. Not really. That's my account.

10 Q. Were there any concerns about  
11 getting mail regarding the account?

12 A. Not really, no. Why?

13 Q. Were you concerned that someone  
14 would learn about the Lloyds account?

15 A. Absolutely not.

16 Q. When did you sign this keep  
17 mail instruction sheet?

18 A. It says here term expire  
19 July 1, 1994. I am saying what is written  
20 here.

21 MR. LERNER: Presumably before  
22 that.

23 Q. Is it fair to assume that this  
24 document was signed sometime before July 1,  
25 1994?

1 J. REYES

2 A. Probably.

3 Q. Did you -- on the left-hand  
4 side, above that stamp, there is a name,  
5 Catherine Reyes, right?

6 A. Yes.

7 Q. Is that her signature on the  
8 left-hand side?

9 A. I'm not sure.

10 Q. And on the stamp it says  
11 Commissioner of Deeds, New York City. Was  
12 your wife ever a notary?

13 A. I don't think so.

14 Q. Was she ever the commissioner  
15 of deeds in New York City?

16 A. No.

17 Q. On the bottom left-hand corner,  
18 where it says "signature(s) verified by,"  
19 did she initialize the CR there?

20 A. Yes.

21 Q. Did you and your wife pay fees  
22 to Lloyds Bank for the hold mail service?

23 A. I don't think so.

24 Q. Let's take a look at something  
25 that will address that. If you can turn to

1 J. REYES

2 Exhibit 5. And within this, if you can go  
3 to the page on the right-hand corner with  
4 1616.

5 A. What is it?

6 Q. 1616. Are you on page 1616?

7 A. I see.

8 Q. Do you see a line on March 16,  
9 2012, that says "keep mail charges"?

10 A. I see that.

11 Q. Were you and your wife paying  
12 Lloyds Bank fees to hold mail?

13 A. First time that I know.

14 Q. For this statement in  
15 March 2012, was it \$110.47?

16 A. It's written here, yes.

17 Q. If you flip a few pages further  
18 in the document to 1633, did you and your  
19 wife pay keep mail charges of \$109.47 in  
20 September 2012?

21 MR. LERNER: Objection.

22 A. Well, it's written here.

23 Q. I will ask it in a different  
24 way. Was there a reduction to your Lloyds  
25 Bank account balance in the amount of

Page 100

1 J. REYES

2 \$109.47 associated with keep mail charges?

3 A. I think so.

4 Q. And then 1641 is the page  
5 number. Was there a reduction to you and  
6 your wife's Lloyds Bank account in December  
7 of 2012, in the amount of \$109.71, for keep  
8 mail charges?

9 A. Yes.

10 Q. Did you your wife ever instruct  
11 Lloyds Bank to --

12 MR. LERNER: Hold on a second.

13 Q. Did you or your wife ever  
14 instruct Lloyds Bank to sell the United  
15 States based securities with respect to the  
16 Lloyds account?

17 A. I saw it on the exhibit, yes.

18 Q. Let's take a look at a couple  
19 of exhibits with this. So this will be  
20 number 12.

21 (Whereupon, Lloyds Bank Memo  
22 was marked as Exhibit 12 for  
23 identification as of this date by the  
24 Reporter.)

25 MR. BEDNAR: This is a document

1 J. REYES

2 with a Bates number of LLOYD\_000033.

3 Q. Now Dr. Reyes, what is your  
4 understanding what this document is?

5 A. I'm not even sure.

6 Q. Does this appear to be a memo  
7 prepared by someone at Lloyds Bank  
8 regarding your account?

9 A. Yes, that's right.

10 Q. And on the second page, there's  
11 some handwritten notations?

12 A. Yes.

13 Q. Let's stay on the first page.  
14 In the last sentence they advise that they  
15 wish to be consulted on any proposed  
16 changes to the United States stocks which  
17 are held. Do you see that?

18 A. Where?

19 Q. I'm looking at the first page  
20 and it's the last sentence in the  
21 background section where it says "they  
22 advised that they wish to be consulted on  
23 any proposed changes to the US stocks which  
24 are held."

25 A. Yes, I see that.

1 J. REYES

2 Q. Is the word "they" referring to  
3 you and your wife?

4 A. I don't know. I guess so.

5 Q. Did you and/or your wife advise  
6 Lloyds Bank that you want to be consulted  
7 on any proposed changes to the U.S. stocks  
8 which are held?

9 A. I don't remember.

10 Q. And what's the date of this  
11 memo?

12 A. March 7, 1994.

13 Q. And then at the top, do you see  
14 there is an account number, [REDACTED] 250?

15 A. Yes.

16 Q. Is that the same client ID  
17 number that we've seen on some other Lloyds  
18 documents?

19 A. Yes.

20 Q. On the second page, I'm going  
21 to read the notation out loud. Just let me  
22 know if you think I've read this correctly.  
23 It's dated January 27, 1995. "Clients  
24 contacted by phone and fax to advise the  
25 necessity to sell their USA stocks in view

1 J. REYES

2 of reporting regulations to IRS. Money is  
3 to be placed on six months deposit for the  
4 time being." Did I read that correctly?

5 A. That's correct.

6 Q. Did you and your wife contact  
7 Lloyds Bank by phone and fax, around  
8 January 1995, to advise the bank of the  
9 necessity to sell their United States  
10 stocks?

11 A. I wouldn't remember. I  
12 wouldn't even know why.

13 Q. Did you and your wife have a  
14 concern at that time about reporting  
15 regulations with the IRS?

16 A. Not really, never.

17 Q. Do you have any idea why this  
18 notation is shown here?

19 A. It would be also that the bank,  
20 maybe some bank regulations. They might be  
21 afraid. I wasn't afraid because I always  
22 believe that the account belongs to me and  
23 that we doing the right things.

24 Q. I don't think I got that.

25 A. I believe that I didn't have a

1 J. REYES

2 reason why to sell those stocks that the  
3 bank say because I never been afraid. I am  
4 not afraid of this bank account.

5 Q. Afraid of what?

6 A. Of the bank account to be  
7 reported.

8 Q. Who wrote this notation on the  
9 second page?

10 A. I wouldn't know.

11 Q. Did the bank, back in 1995, did  
12 the bank reach out to you or did you reach  
13 out to the bank with respect to this  
14 notation?

15 A. I don't know.

16 Q. Did Lloyds Bank ever express  
17 any concerns to you or your wife about  
18 United States reporting requirements  
19 regarding the Lloyds Bank account?

20 A. Not that I know of.

21 Q. Back on the first page, there  
22 is a sentence that says "their son is  
23 working for a New York broking house and he  
24 has given them input on the final  
25 structure." I'm sorry to bring this up



1 J. REYES

2 again but --

3 A. Where is that?

4 MR. LERNER: This is in 1994,  
5 March 7th.

6 Q. There's a sentence that says  
7 "their son is working for a New York  
8 broking house and he has given them input  
9 on the final structure." I'm sorry to bring  
10 up your son but is this referring to Alex?

11 A. Yes.

12 Q. The part that says: "He has  
13 given them input on the final structure,"  
14 do you understand what that's referring to?

15 A. I don't know.

16 Q. Did Alex ever give you or your  
17 wife any advice on the Lloyds Bank account?

18 A. Not that I remember.

19 Q. Did he ever talk to you about  
20 the Lloyds account ever?

21 A. I don't think that he knew  
22 about the bank account.

23 MR. BEDNAR: This will be  
24 Exhibit 13.

25 (Whereupon, Declaration for US

1 J. REYES

2 Persons was marked as Exhibit 13 for  
3 identification as of this date by the  
4 Reporter.)

5 MR. BEDNAR: For the record,  
6 this is a document with the Bates  
7 number LLOYD\_000038. Off the record.

8 (Whereupon, an off-the-record  
9 discussion was held.)

10 Q. Dr. Reyes, what is your  
11 understanding of what this document is  
12 that's marked as Exhibit 13?

13 A. It would say not to give any  
14 disclosure to any of this account to  
15 anybody. It's written here.

16 Q. So is this a document entitled  
17 Physical Person-Declaration for US Persons?

18 A. Yes, that's what it says.

19 Q. Is this a document that Lloyds  
20 Bank prepared?

21 A. Probably.

22 Q. And then there's a number on  
23 the first page at the top, [REDACTED] 250. Do you  
24 see that?

25 A. Yes.

1 J. REYES

2 Q. Is that the same client ID  
3 number we've seen throughout the various  
4 Lloyds Bank documents?

5 A. Yes, that's correct.

6 Q. And that's the number  
7 associated with you and your wife's  
8 accounts?

9 A. Yes.

10 Q. Looking at the first page,  
11 there's an option 2. I'm going to read  
12 this and let me know if I read this  
13 correctly. "I do not authorize you to make  
14 any disclosure in connection with the US  
15 withholding tax. I therefore authorize you  
16 to sell all my US securities with you in  
17 the course of the year 2000 and I'm aware  
18 that you will not invest in further US  
19 securities on my account." Did I read that  
20 right?

21 A. That's correct, yes.

22 Q. On page 1, did your wife sign  
23 this?

24 A. Yes.

25 Q. And is option 2 circled?

1 J. REYES

2 A. Say again.

3 Q. Is option 2 circled?

4 A. Yes.

5 Q. And did your wife sign it in  
6 August 2000?

7 A. That's right, yes.

8 Q. And on the second page, did you  
9 sign under option 2?

10 A. I'm not sure. I don't think  
11 that's my signature to tell you the truth.

12 MR. LERNER: What?

13 THE WITNESS: I don't think  
14 that's my signature.

15 Q. So you're saying that is not  
16 your signature for option 2?

17 A. I don't think so.

18 Q. What about the date, August of  
19 2000, is that your handwriting?

20 A. Where is that?

21 Q. In the option 2 box, there's a  
22 date.

23 A. I didn't write it either.  
24 That's not my handwriting.

25 Q. So are you saying that in the

1 J. REYES

2 box option 2, none of that is your  
3 handwriting?

4 A. That is correct.

5 Q. Going back to the first page, I  
6 think you testified that your wife did sign  
7 that, right?

8 A. I believe so, yes.

9 Q. Why was option 2 selected?

10 A. Why option 2?

11 Q. Out of these two options, why  
12 was that selected?

13 A. I wouldn't know.

14 Q. Did you ever discuss with  
15 anyone the concept of selling US securities  
16 in your Lloyds Bank account?

17 A. Not that I remember.

18 Q. Did you or your wife ever have  
19 a concern about disclosure in connection  
20 with the U.S. withholding tax?

21 A. I don't think so.

22 Q. And putting this document  
23 aside, did you or your wife ever instruct  
24 Lloyds Bank to sell U.S. securities in the  
25 Lloyds Bank account?

1 J. REYES

2 A. It seems -- it's signed that my  
3 wife agreed to that but I don't remember  
4 that.

5 Q. Where did your wife sign this  
6 document?

7 A. I wouldn't know.

8 MR. BEDNAR: I think this is a  
9 good time to stop so let's go off the  
10 record.

11 (Whereupon, an off-the-record  
12 discussion was held.)

13 (Whereupon, a lunch break was  
14 taken.)

15 Q. So Dr. Reyes, I just want to go  
16 back to a couple of exhibits we looked at  
17 just before we went to lunch. Let's take a  
18 look back at Exhibit 12. So on the first  
19 page, there is in the middle, under where  
20 it says standing instructions, there's a  
21 fax number (718)575-4197. Did I read that  
22 right?

23 A. Yes.

24 Q. Was that a fax number  
25 associated with you or your wife at any

1 J. REYES

2 point in time?

3 A. I don't think so.

4 Q. Did you ever use a fax machine  
5 to communicate with anyone?

6 A. Yeah, we do have a fax machine.  
7 I have a fax machine in the office but I  
8 don't know exactly -- to communicate with  
9 somebody, yes.

10 Q. Do you recognize this fax  
11 number that's on the sheet, Exhibit 12?

12 A. I'm not sure but it could have  
13 been an old fax machine in the house maybe.  
14 The 4197, I recognize it because it was an  
15 alarm and we --

16 Q. You do or do not recognize it?

17 A. Yes.

18 Q. You do?

19 A. Yes.

20 Q. So this was a fax associated  
21 where again?

22 A. My house.

23 Q. In your house?

24 A. Yes.

25 Q. Let's then turn to Exhibit 13

1 J. REYES

2 and I think you actually have to turn this  
3 upside down to see the fax header. Do you  
4 see at the top there is a -- is there a fax  
5 header at the top?

6 A. I don't recognize it but it  
7 seem to be different fax number.

8 Q. Let's first establish that  
9 there is actually -- do you agree there's a  
10 fax header at the top of this page if we  
11 turn it upside down?

12 A. Yes.

13 Q. Now below where it says fax  
14 number, there's a number there. Do you see  
15 where it says 1-718-575-4197. Do you see  
16 that?

17 A. Yes.

18 MR. LERNER: Objection. The  
19 last digit is not legible so apart  
20 from that, you read it correctly.

21 Q. Dr. Reyes, do you think that  
22 last digit is a 7?

23 A. It sounds like that, yes.

24 Q. So is this the same fax number  
25 that was on Exhibit 12, which we



1 J. REYES

2 established was a home fax number?

3 A. Yes.

4 Q. So was Exhibit 13 faxed to or  
5 from your home fax?

6 A. I wouldn't know. According to  
7 this one, it's probably yes.

8 Q. Let me ask you about your  
9 signature again on page 2. Did you ever  
10 authorize your wife to sign on your behalf  
11 at any time?

12 A. Not really.

13 Q. Not really or not ever?

14 A. No.

15 Q. Has she ever signed on your  
16 behalf at any point in time?

17 A. I don't think so.

18 Q. So on page 2, is that her  
19 signature on your behalf or is that her  
20 handwriting?

21 A. It doesn't look like her  
22 handwriting either.

23 Q. On page 1 with the date, August  
24 28, 2000, that's her handwriting?

25 A. It looks like her handwriting.

1 J. REYES

2 Q. On page 2, does the August 28,  
3 '00 date look like the same handwriting  
4 there?

5 A. Not to me.

6 Q. A general questions about the  
7 credit cards. Did you or your wife ever  
8 instruct Lloyds Bank to automatically pay  
9 all credit cards associated with the Lloyds  
10 account?

11 A. Probably yes.

12 Q. Was that through a written  
13 instruction or how?

14 A. I wouldn't know.

15 Q. Let's move on to a different  
16 topic. So did you, at any time, request  
17 that the funds in the Lloyds Bank account  
18 be transferred out of Lloyds Bank to J.P.  
19 Morgan Chase in the United States?

20 A. Yes.

21 Q. When did that occur? When did  
22 you make the request?

23 A. Because I realize --

24 MR. LERNER: Did you ask when?

25 Q. When did you make the request?

1 J. REYES

2 A. I would have to guess. It  
3 might be in one of those papers here but I  
4 think it was probably 2014.

5 Q. Why did you request that the  
6 funds be transferred from the Lloyds to  
7 Chase Bank?

8 A. Two things. I know I wasn't  
9 going back to Nicaragua because the  
10 situation will never improve and then so  
11 it's we need to do some business here,  
12 renovate these buildings, and we really  
13 need money for ourselves.

14 Q. When you say the buildings, are  
15 you talking about the real property by 424  
16 Avaline?

17 A. Yes.

18 Q. Was another reason --

19 MR. BEDNAR: Strike that.

20 Q. At the time of the funds being  
21 transferred --

22 MR. BEDNAR: Strike that.

23 Q. At the time you made the  
24 request to transfer the funds out of Lloyds  
25 Bank to Chase, were you dissatisfied with

1 J. REYES

2 Lloyds's services?

3 A. Not in particular.

4 Q. Did you just generally prefer  
5 having to deal with the U.S. bank instead  
6 of a foreign bank?

7 A. Again we need the money here  
8 and I wasn't going back to Nicaragua.

9 MR. BEDNAR: Let's take a look  
10 at Exhibit 14.

11 (Whereupon, 1/31/12 Letter from  
12 Juan and Catherine Reyes was marked  
13 as Exhibit 14 for identification as  
14 of this date by the Reporter.)

15 MR. BEDNAR: And this is a  
16 document with the Bates number of  
17 REY\_000049.

18 Q. Dr. Reyes, once you've had a  
19 chance to review it please let me know.

20 A. Yes.

21 Q. What is your understanding of  
22 what this document is that's been marked as  
23 Exhibit 14?

24 A. My lawyer was asking Lloyds  
25 Bank to transfer our account into Chase,

1 J. REYES

2 J.P. Morgan Chase.

3 Q. Okay. What is the date shown  
4 on the letter under your names?

5 A. January. At the top?

6 Q. I'm talking about do you see  
7 where your names are in the heading?

8 A. Yes.

9 Q. Below that there's a date.  
10 What's the date?

11 A. January 31, 2012.

12 Q. And then on the upper  
13 left-hand corner there's a fax date. What  
14 date is that?

15 A. I see the fax.

16 Q. On the upper left-hand corner,  
17 there's a fax header with the date on it.  
18 What's the date shown?

19 A. I see January 31, 2014.

20 Q. When was this letter created?

21 A. I wouldn't know this.

22 Q. Do you think that January 31,  
23 2012 date has a typo in the year?

24 A. I wouldn't know.

25 Q. Who drafted this letter?

1 J. REYES

2 A. Doug Allen, my lawyer.

3 Q. Is there a reason for an exact  
4 two-year difference in those two dates?

5 A. I don't see any way why it  
6 should be -- it shouldn't be.

7 Q. I want to ask you about a  
8 sentence that's in the middle of the page.  
9 It says "we intend to regularize our  
10 account and resolve any and all reporting  
11 issues in the United States by entering the  
12 Internal Revenue Service Offshore Account  
13 Voluntary Disclosure Initiative." Do you  
14 see that sentence?

15 A. Yes.

16 Q. What was meant by "we intend to  
17 regularize our accounts"?

18 A. Mr. Allen mention to us that  
19 that's the way to do it. That the best way  
20 was to bring into the -- what they call it?  
21 The offshore voluntary account.

22 Q. And there's a reference to  
23 reporting issues. What were the reporting  
24 issues?

25 A. Reporting issues where?

1 J. REYES

2 Q. On the this page in the same  
3 sentence where it says "we intend to  
4 regularize our account and resolve any and  
5 all reporting issues in the United States."  
6 What were the reporting issues?

7 A. Because Mr. Allen mention to us  
8 that they would have to --

9 MR. LERNER: Attorney-client  
10 privilege.

11 Q. Can you answer that question  
12 without describing what your attorney told  
13 you?

14 MR. LERNER: If you can't  
15 answer that question without  
16 disclosing what Mr. Allen told you,  
17 you don't have to answer.

18 A. I don't answer.

19 Q. Okay. Let me go about it  
20 another way. Had the Lloyds account ever  
21 been disclosed to the IRS in any form  
22 previously?

23 A. No, never.

24 Q. So was the lack of previous  
25 disclosure a reporting issue as referenced

1 J. REYES

2 in this letter?

3 A. I don't see any reporting for  
4 any previous issue because there was no  
5 previous issue.

6 Q. Let me ask you about the  
7 paragraph before that. The sentence says,  
8 the second sentence, says "we hereby revoke  
9 our instructions to wire the balance of our  
10 account to UBS AG in Zurich." Had you and  
11 your wife contemplated transferring the  
12 funds out of Lloyds to UBS?

13 A. Not really.

14 Q. Why was there a mention of  
15 revoking instructions to wire the balance  
16 to UBS?

17 A. To my best recollection,  
18 actually Lloyds Bank was saying that they  
19 want to transfer our account to some place  
20 else and I said -- in the past -- and I  
21 would say no.

22 Q. When did they say they were  
23 going to do that?

24 A. Maybe two years before that.

25 Q. So Lloyds said they were going



1 J. REYES

2 to transfer the money. Did they give a  
3 date certain that that was going to happen?

4 A. Not really.

5 Q. But Lloyds expressed a general  
6 interest in moving the funds out?

7 A. I don't know what was the  
8 reason but they had mentioned if we're  
9 going to bring the money here, they would  
10 prefer to put it some place else.

11 Q. I'm just trying to get an  
12 understanding of the sequence of events.  
13 Is it correct to say that the first thing  
14 that happened was Lloyds expressed a  
15 general interest in moving the funds out of  
16 Lloyds?

17 A. Not really, no.

18 Q. So was the very first event you  
19 and your wife telling Lloyds we want to  
20 move the money back to United States?

21 A. We did. Yeah, we did ask  
22 Lloyds.

23 Q. I'm just trying to understand  
24 where UBS fits into the sequence of events,  
25 like what happened first?

1 J. REYES

2 A. The first thing is that we want  
3 to transfer this account into the United  
4 States.

5 Q. And then where does UBS fit  
6 into that?

7 A. Probably I think -- it's some  
8 kind of speculation -- that Lloyds want to  
9 transfer to some place else over there and  
10 to continue having the offshore account and  
11 it might be in their best interest  
12 themselves.

13 Q. Did Lloyds suggest that after  
14 you said you wanted the money to be moved  
15 to the U.S. or before?

16 A. After.

17 Q. Was this letter the first time  
18 that you, or anyone on your behalf,  
19 communicated with Lloyds about wanting to  
20 get the money out of Lloyds and into the  
21 U.S.?

22 A. I believe so.

23 Q. I want to go back to Exhibit 1  
24 again, we may have touched on this earlier;  
25 I just want to make sure. On page 291 --

1 J. REYES

2 MR. LERNER: The Bates number  
3 is 291?

4 MR. BEDNAR: Yes, bates page  
5 291.

6 Q. The top paragraph, it says last  
7 sentence, "at the end of 2013, when advised  
8 of reporting tax responsibilities, we  
9 closed the account and moved its balance to  
10 New York." Is that still consistent with  
11 your understanding of when the account was  
12 closed?

13 A. Say it again.

14 Q. Having read this statement,  
15 which you did sign on the last page, is it  
16 your understanding that the Lloyds account  
17 was closed at the end of 2013?

18 A. I didn't even know they were  
19 going to close.

20 Q. But this sentence, which you  
21 signed, or this statement which you signed,  
22 says that at the end of 2013 we closed  
23 account. That's what it says, right?

24 A. Yes.

25 Q. So was the Lloyds account, were

1 J. REYES

2 the funds moved out of the Lloyds account,  
3 and the account closed in late 2013?

4 A. When it was transferred here?

5 Q. Yes.

6 MR. LERNER: I think the date  
7 was early January of 2014 more or  
8 less.

9 A. Yes.

10 MR. BEDNAR: Based on --

11 MR. LERNER: Based on this  
12 letter, Exhibit 14.

13 MR. BEDNAR: Even though this  
14 letter has a typed in date of 2012.

15 MR. LERNER: I understand but  
16 if you look at the numbering on  
17 bottom you see that it was obviously  
18 created by a law firm and probably --  
19 I would submit to you that it was a  
20 law firm typo.

21 THE WITNESS: It's exactly the  
22 same day with different year. It's a  
23 typing mistake.

24 MR. LERNER: If I may ask, do  
25 you know when you retained the

1 J. REYES

2 Seyfarth law firm? Was it 2012,  
3 2013?

4 THE WITNESS: It was about that  
5 time.

6 MR. LERNER: Do you know if it  
7 was 2013 or 2012?

8 THE WITNESS: I really don't  
9 know that.

10 MR. LERNER: So we can't nail  
11 it down that way but in any event,  
12 can we stipulate that it's a typo  
13 or --

14 MR. BEDNAR: Off the record.  
15 (Whereupon, an off-the-record  
16 discussion was held.)

17 MR. BEDNAR: So we've discussed  
18 that we're stipulating that it  
19 appears to be a typo in the date  
20 shown on Exhibit 14 of January 31,  
21 2012. It is most likely January 1,  
22 2014.

23 MR. LERNER: Correct. So  
24 stipulated.

25 Q. Around the years 2010 through

1 J. REYES

2 2012, if you're looking at that timeframe,  
3 what percentage of your wealth was  
4 represented by, and by wealth, I mean all  
5 your assets, you and your wife, what  
6 percentage of you and your wife's wealth  
7 was represented by the Lloyds Bank account?

8 MR. LERNER: Objection. You're  
9 asking him to essentially value his  
10 home, the values of his practice, the  
11 values of his partnership interests  
12 as he sits here today. It's a  
13 complicated question for a forensic  
14 accountant and that being said, he  
15 can answer if he can.

16 A. It represents probably most of  
17 the wealth.

18 Q. Okay. And by most, do you mean  
19 barely over 50 percent or more like  
20 75 percent?

21 A. I think more than 75 percent.

22 Q. Dr. Reyes, could you just name  
23 for me all people you've ever talked to  
24 about the Lloyds Bank account. Let me  
25 clarify that. I'm talking about not just

1 J. REYES

2 Lloyds, I'm talking about the account  
3 starting from 1972, when it was Banco de  
4 Londres, who did you ever talk to about the  
5 account that originated in 1972 with Banco  
6 de Londres, that then became Lloyds in the  
7 United Kingdom and Switzerland? Who did  
8 you ever talk to about it?

9 A. I don't think to anybody except  
10 probably my parents.

11 Q. And what did you talk with your  
12 parents about?

13 A. They remind me that the money  
14 that was there so actually we were very --  
15 how do I say? We know the account was  
16 there but we didn't do anything with the  
17 account. My parents remind us that the  
18 money was there.

19 Q. Did you talk to your parents  
20 about anything else other than the money  
21 was there?

22 A. I don't think so.

23 Q. Did you talk to Mrs. Reyes  
24 about the account?

25 A. Marriage is an institution, is

1 J. REYES

2 a corporation. We acted as one.

3 Q. So you did talk to her about  
4 it?

5 A. Yes.

6 Q. What did you ever discuss with  
7 her about it?

8 MR. LERNER: Objection. That  
9 falls within spousal privilege.

10 MR. BEDNAR: So you're  
11 instructing him not to answer?

12 MR. LERNER: Yeah, don't  
13 answer.

14 Q. Besides your parents and Mrs.  
15 Reyes, did you ever talk to anyone else, at  
16 any time, about the account that originated  
17 in 1972 with Banco de Londres and then  
18 became Lloyds?

19 A. Nobody else.

20 Q. Did you ever discuss the Lloyds  
21 Bank with your son, Juan Reyes III?

22 A. Never.

23 MR. LERNER: You're talking  
24 about from the period of 1972 through  
25 when?



1 J. REYES

2 MR. BEDNAR: Through the time  
3 the account was closed.

4 MR. LERNER: Let me talk to him  
5 outside for a minute.

6 (Whereupon, a short recess was  
7 taken.)

8 MR. LERNER: We had  
9 conversation outside where I was  
10 explaining to Dr. Reyes what your  
11 question is asking for and based on  
12 our discussions, he's going to  
13 clarify his answer.

14 MR. BEDNAR: Okay.

15 MR. LERNER: Go ahead.

16 THE WITNESS: So the other  
17 person that I spoke to about the bank  
18 account was my son Juan at one point.

19 Q. Juan Reyes III?

20 A. Yes.

21 Q. When did you speak to him about  
22 it?

23 A. Probably around 2013 when we  
24 were trying to get the money here.

25 Q. What was discussed about the

1 J. REYES

2 account?

3 A. That I want to bring the money  
4 here and he said how do I get the money  
5 here.

6 MR. LERNER: Continue  
7 clarifying. Was there anybody else  
8 that you spoke to about the account?

9 THE WITNESS: I would say  
10 probably to my other son before he  
11 passed.

12 Q. With Alex?

13 A. Yes.

14 Q. Why don't we finish talking  
15 about Juan Reyes III. I want to add some  
16 more follow-up to that. When you talked to  
17 Juan III about the Lloyds account, who else  
18 was in the room? Was this in person or  
19 over the phone?

20 A. Probably in person.

21 Q. Was anybody else present  
22 besides you two?

23 A. Besides my wife?

24 Q. Who was present during that  
25 conversation?

1 J. REYES

2 A. Probably my wife and I.

3 Q. Anybody else?

4 A. I don't think so.

5 Q. So the subject of the  
6 discussion was moving the funds out of  
7 Lloyds to the United States; is that right?

8 A. Yes.

9 Q. What did Juan Reyes III, what  
10 did your son say during this discussion?

11 MR. LERNER: Objection.

12 Attorney-client.

13 MR. BEDNAR: Well, let's  
14 explore that.

15 Q. Was Juan Reyes III your  
16 attorney?

17 MR. LERNER: You can answer.  
18 Was he giving you legal advice or  
19 were you asking for legal advice from  
20 Juan and was he giving legal advice?

21 A. It's very difficult to  
22 disassociate it when I was talking to him  
23 or talking like my son but it involved some  
24 legal things too.

25 Q. Let me ask it this way: Let's

1 J. REYES

2 establish, on or around 2013 Juan III was a  
3 licensed attorney, right?

4 A. Yes.

5 Q. When you talked to him at that  
6 time, about the Lloyds account, did you  
7 understand him to be your attorney?

8 A. No. Are you asking advice?

9 Q. I'm asking when you talked to  
10 Juan III, did you perceive him to be your  
11 attorney when you talked to him?

12 MR. LERNER: Did you perceive  
13 him to be giving you legal advice or  
14 personal family advice?

15 A. So this was hard to  
16 disassociate it because he's a lawyer;  
17 obviously he's going to give me some legal  
18 advice.

19 Q. I'm going to ask you this  
20 question and you're probably going to think  
21 it's ridiculous but did you have any  
22 engagement letter with him?

23 A. No.

24 Q. Was there any kind of written  
25 document evidencing that you had retained

1 J. REYES

2 him, you or your wife had retained him as  
3 your attorney?

4 A. No.

5 Q. So I go back to the, I guess,  
6 the original question. What did Juan Reyes  
7 III say to you and your wife during this  
8 discussion about the Lloyds account?

9 MR. LERNER: Objection. To the  
10 extent that you can answer without  
11 telling him -- withdrawn. To the  
12 extent that you can answer without  
13 conveying legal advice that Juan  
14 Reyes conveyed to you, or opinion,  
15 you can answer.

16 Q. I think you have to answer that  
17 based on the best of your abilities.

18 A. I ask him how do we do, how do  
19 we bring the money here? He said to me you  
20 need an attorney that specialize in that.

21 Q. So Juan Reyes III said you've  
22 got to go find an attorney who is familiar  
23 with these kinds of transactions?

24 A. Yes.

25 Q. Did he say anything else to you

1 J. REYES

2 during this discussion?

3 A. Not really, no.

4 Q. Not really or --

5 A. No, nothing else.

6 Q. During your discussion with  
7 Juan III, did you two ever discuss the  
8 United States tax reporting requirements  
9 associated with the Lloyds Bank account?

10 A. No.

11 Q. During this discussion with  
12 Juan III, did either of you or your wife  
13 discuss with him FBAR reporting  
14 requirements?

15 A. No. At that point, I believed  
16 that the way to transfer the money was to  
17 bring it here.

18 Q. Other than that discussion  
19 around the time of moving the funds out of  
20 Lloyds to the U.S., did you ever --

21 MR. BEDNAR: Strike that.

22 Q. Had you ever had any discussion  
23 with Juan III, about the Lloyds account,  
24 before that discussion we've been talking  
25 about regarding moving the funds to the

1 J. REYES

2 U.S.?

3 A. I don't think so.

4 Q. Has Juan III ever represented  
5 you or your wife in relation to the Lloyds  
6 Bank account vis-à-vis third parties?

7 A. No.

8 Q. Now I want to turn to Alex and  
9 I know this is a sensitive topic but you  
10 did just testify a few minutes ago that you  
11 did talk to him about the Lloyds account at  
12 some point in time, right?

13 A. I believe so.

14 Q. And I'll try to be as brief as  
15 possible on this. When did that occur?

16 A. I wouldn't know. I wouldn't  
17 remember.

18 Q. What was the subject of the  
19 discussion with him?

20 A. I don't even remember either.

21 Q. You just remember that you  
22 talked about the account with him?

23 A. Yeah, that my parents gave me  
24 that money and it was in the account some  
25 place.

1 J. REYES

2 Q. Did you ever discuss with Alex  
3 the concept of reporting the accounts to  
4 the United States government?

5 A. I never.

6 Q. I want to move on to a  
7 different topic. So communications with  
8 Lloyds Bank, whether it's England or  
9 Switzerland, how did you and your wife  
10 communicate with that bank?

11 A. Well, by mail, by fax, as you  
12 see a fax here, and sometimes probably  
13 telephone.

14 Q. In what circumstances did you  
15 talk to anybody at Lloyds on the phone?

16 A. Actually they would generate  
17 the call and it was with this man named  
18 Bernard Gaughran.

19 Q. Did he call you?

20 A. Yes.

21 Q. When did he call you?

22 A. I don't remember. Sometimes.

23 Q. What did he call you about?

24 A. What we doing -- what he was  
25 doing with the bank account.



1 J. REYES

2 Q. So he would discuss with you  
3 the progress of the various investments and  
4 their securities in the account or the  
5 content of it?

6 A. Not really because I'm  
7 ignoramus about the stock market and he  
8 said we're doing okay.

9 Q. Did either you or your wife  
10 communicate with Lloyds through e-mail?

11 A. No e-mail.

12 Q. So just U.S. mail, fax and  
13 phone?

14 A. And phone.

15 Q. How often would you say you or  
16 your wife communicated with Lloyds Bank?

17 A. Every four months or six  
18 months. It was sporadic.

19 Q. So every four or six months  
20 there would either be something in the mail  
21 from them, a fax being sent to or from the  
22 bank, or there would be a phone call?

23 A. That's correct, yes.

24 Q. Was there ever a time when  
25 there was more communication going on with

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1 J. REYES

2 Lloyds? I'm not talking about before the  
3 closing aspects of things.

4 A. I don't think so.

5 Q. So it was steady every four or  
6 six months there would be some kind of  
7 communication?

8 A. I wouldn't say steady. I  
9 mentioned sporadic which means once in a  
10 while.

11 Q. Okay. Have you or your wife  
12 ever had a foreign financial account in  
13 addition to the one with Lloyds Bank?

14 A. No, never.

15 Q. Did you or your wife ever have  
16 an account with UBS Bank, not a credit card  
17 account but a bank account?

18 A. No, never.

19 MR. BEDNAR: Let's take a look  
20 at the next document which will be  
21 number 15.

22 (Whereupon, KYC Information  
23 Document was marked as Exhibit 15 for  
24 identification as of this date by the  
25 Reporter.)

1 J. REYES

2 Q. Before this let me just ask you  
3 one more thing about Alex III.

4 MR. LERNER: No, Alex is --

5 Q. I'm sorry, Juan Reyes III.  
6 When was the first time you ever told him  
7 about the existence of the Lloyds account?

8 A. Juan?

9 Q. Juan Reyes III.

10 A. Right before we want to  
11 transfer the account here.

12 Q. Are you saying that you had  
13 never disclosed to him, in any form, or any  
14 manner, you or your wife, the existence of  
15 the Lloyds account until around 2013?

16 MR. LERNER: Objection but you  
17 can answer.

18 A. I don't believe so.

19 Q. So let's go to Exhibit 15. And  
20 this is Bates number LLOYD\_000042. So Dr.  
21 Reyes, what is your understanding of what  
22 this document is?

23 A. To tell you the truth, I never  
24 seen this document and I don't understand  
25 why does it say residence in Guatemala. I

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1 J. REYES

2 been to Guatemala only once before you were  
3 born.

4 Q. Let talk about a couple of  
5 things with this. Does this appear to be a  
6 document created by Lloyds Bank?

7 A. Yeah, that's right.

8 Q. And does this document appear  
9 to be related to you and your wife's  
10 account with Lloyd's Bank?

11 A. Yes.

12 Q. And in the upper left-hand  
13 corner, there is a client number, [REDACTED] 250.  
14 Do you see that?

15 A. Yes.

16 Q. Is that the same client ID  
17 number we've seen throughout the other  
18 Lloyds Bank documents associated with your  
19 account?

20 A. That is correct, yes.

21 Q. Who is Bernard Gaughran?

22 A. He was an employee of Lloyds  
23 Bank and he's the one who Lloyds Bank had  
24 decided to get in touch with us to  
25 communicate with him.

1 J. REYES

2 Q. I'm sorry, I missed the last  
3 part.

4 A. To communicate with him.

5 Q. What was his title at Lloyds  
6 Bank?

7 A. I don't know.

8 Q. Did you and your wife consider  
9 him to be your primary contact at Lloyds?

10 A. I would say so.

11 Q. In the middle of the page  
12 there's a sentence, on the left-hand side,  
13 that says "client banked with UBS but were  
14 not satisfied with their service and  
15 decided to open an account with Lloyds."  
16 Who is the clients in that sentence?

17 A. I don't understand what they  
18 talking about.

19 Q. Do you see where it says that  
20 though?

21 A. I understand. I see what it  
22 says but I never discussed that I was  
23 dissatisfied and I didn't discuss it with  
24 Gaughran, never.

25 Q. So just to be clear, did you

1 J. REYES

2 and your wife ever bank with UBS?

3 A. No, never.

4 Q. And below that, on the first  
5 page, it says "met clients for first time  
6 in March 31, 2006, on a business trip to  
7 London." Did you or your wife go to London  
8 around that time?

9 A. That was the time that I  
10 mentioned that I saw Gaughran.

11 Q. So that was in 2006?

12 A. Probably.

13 Q. Actually on the next page let  
14 me ask you about another reference. Do you  
15 see on the top part of the second page,  
16 "last met clients in May 2009 on a business  
17 trip to London." Did you or your wife go  
18 to London in 2009 and meet with Mr.  
19 Gaughran?

20 A. I don't remember.

21 Q. Is it fair to say that either  
22 in 2006 or in 2009 you met with him?

23 A. Yes, that's correct.

24 Q. Moving on to a different  
25 subject here, Dr. Reyes, throughout your

1 J. REYES

2 marriage have you filed your federal income  
3 tax returns jointly with Mrs. Reyes?

4 A. I don't think so.

5 Q. Was there a time you filed  
6 separately?

7 A. No, never.

8 Q. I'll ask the first question  
9 again. Throughout your marriage, have you  
10 filed your federal income tax returns  
11 jointly with Mrs. Reyes the entire time?

12 A. All the time. With a joint  
13 account, with a joint tax return, we always  
14 did it together. Is that the question?

15 Q. Yes.

16 A. We always did it together.

17 Q. You always filed jointly?

18 A. Always.

19 Q. Did you file joint federal tax  
20 returns for the years 2010 through 2012?

21 A. I believe so.

22 Q. I'm focusing on those specific  
23 years. Did you prepare the returns  
24 yourself, or with your wife, or did you use  
25 an outside advisor?

1 J. REYES

2 A. We always get an outside  
3 advisor.

4 Q. And for those years who was  
5 your outside adviser?

6 A. Someone named Sidney Yoskowitz.

7 Q. And during that timeframe, 2010  
8 through 2012, did he have his own firm or  
9 was he part of a larger firm?

10 A. I think he still was -- he has  
11 his own firm I think.

12 Q. Did he later move on to a  
13 larger firm?

14 A. That's my understanding.

15 Q. What was the name of that firm?

16 A. Reid and something.

17 Q. Was it G.R. Reid?

18 A. Yes.

19 Q. When did you and your wife  
20 first work with Mr. Yoskowitz?

21 A. Many years ago, maybe 40 years.

22 Q. So since the 1980s?

23 A. Yes.

24 Q. And what kind of services did  
25 Mr. Yoskowitz provide besides of



1 J. REYES

2 preparation of returns?

3 A. That was the only thing I did.

4 Q. Did you or your wife ever go to  
5 him for general tax advice?

6 A. I don't think so.

7 MR. LERNER: Was that line of  
8 questioning solely focused on his  
9 personal capacity because I believe  
10 there was testimony, or maybe  
11 yesterday, that he had the separate  
12 business entities and he may have use  
13 Mr. Yoskowitz as well.

14 MR. BEDNAR: Let's ask it in  
15 both capacities then.

16 Q. Did you ever ask Mr. Yoskowitz  
17 for tax advice, general tax advice, in your  
18 own personal capacity and in your wife's  
19 personal capacity?

20 A. I don't think so.

21 Q. Did you ever ask Mr. Yoskowitz  
22 for general tax advice in the capacity of  
23 one of your businesses?

24 A. Probably with the building.

25 Q. Did the Avaline, the two

1 J. REYES

2 Avaline LLCs, did they file their own tax  
3 returns separately?

4 A. From my understanding, yes.

5 Q. Has it always been done that  
6 way?

7 A. Always.

8 MR. LERNER: Let's go off the  
9 record.

10 (Whereupon, an off-the-record  
11 discussion was held.)

12 Q. What is your view of the  
13 quality of service that Mr. Yoskowitz  
14 provided as a CPA?

15 A. I thought it was a good advice  
16 for a CPA.

17 Q. You think he did good work for  
18 you and your wife?

19 A. Say it again.

20 Q. Do you think he did good work  
21 for you and your wife?

22 A. I think so.

23 Q. And what leads you to that  
24 conclusion?

25 A. We never had problems with the

1 J. REYES

2 taxes.

3 Q. As a CPA, in the process of  
4 preparing returns, and this is for any time  
5 period, was he a CPA who asks a lot of  
6 follow-up questions?

7 MR. BEDNAR: Strike that.

8 Q. As your CPA preparing your tax  
9 returns all these years, would you say he  
10 was a fairly hands on CPA, asking a lot of  
11 questions, or was he more hands off?

12 MR. LERNER: Objection. You  
13 can answer.

14 A. I think he's okay.

15 Q. In preparing your tax returns,  
16 did he tend to ask you a lot of follow-up  
17 questions or did he simply take the  
18 information you had and prepare the returns  
19 with minimal communication with you?

20 MR. LERNER: Objection. You  
21 can answer.

22 A. He will ask for some of the  
23 papers, I guess some of the checks I  
24 received from the insurance company. My  
25 bank would collect the paper and give it to

1 J. REYES

2 him.

3 Q. Let's focus on the years 2010  
4 to 2012.

5 MR. BEDNAR: I'll start with  
6 the first exhibit, Exhibit 16.

7 (Whereupon, 2010 Federal Income  
8 Tax Return was marked as Exhibit 16  
9 for identification as of this date by  
10 the Reporter.)

11 Q. And this is a document with  
12 Bates number IRS\_0000438. So Dr. Reyes,  
13 what is your understanding of what this  
14 document is that's marked as Exhibit 16?

15 A. That was the joint tax return  
16 that we send.

17 Q. Is this a copy of the original  
18 2010 federal income tax return for you and  
19 your wife?

20 A. I believe so.

21 Q. Does this copy contain your  
22 signature or your wife's signature on the  
23 second page?

24 A. In 439?

25 Q. Correct.

1 J. REYES

2 A. I don't see my signature.

3 Q. Nevertheless do you have any  
4 reason to believe or any reason to dispute  
5 that this is a true and correct copy of  
6 your and your wife's 2010 federal income  
7 tax return?

8 A. I believe so. I believe it is.

9 Q. Did you and your wife paper  
10 file or e-file the original 2010 return?

11 A. I wouldn't know.

12 Q. Who would know that?

13 A. Yoskowitz.

14 Q. Let me ask you a couple of  
15 questions about this return. On schedule  
16 B, which the Bates page ending in 441, is  
17 this schedule B a schedule of interest and  
18 ordinary dividends?

19 A. I don't understand what this --

20 Q. What's the title of schedule B?

21 A. Interest and ordinary  
22 dividends, yes.

23 Q. And do you see where it says on  
24 the left, part 1 interest, on the top part?

25 A. Yes.

1 J. REYES

2 Q. Does this schedule B show  
3 interest being received from Chase Bank  
4 during 2010?

5 A. Yeah, that's what it says, yes.

6 Q. And below that there's a  
7 reference to Ridgewood. Do you see that?

8 A. Yes.

9 Q. What is Ridgewood?

10 A. I don't know. With my  
11 recollection, I don't know.

12 Q. Did you and your wife have a  
13 bank account at Ridgewood?

14 A. Maybe my wife, maybe something  
15 she get from her mother.

16 Q. In this original 2010 return,  
17 is there a disclosure anywhere of interest  
18 income, or other income, from the Lloyds  
19 Bank account?

20 A. I don't think so.

21 Q. And let's stay with that  
22 schedule B, which is page 441 on the  
23 right-hand corner. Towards the bottom  
24 there's a question 7A and I'll read it out  
25 loud. "At any time during 2010, did you

1 J. REYES

2 have an interest in or a signature or other  
3 authority over a financial account in a  
4 foreign country such as a bank account,  
5 securities account, or other financial  
6 account?" Do you see that question?

7 A. Yes.

8 Q. And what box was checked in  
9 response to that, yes or no?

10 A. It's checked no.

11 Q. Why was it checked no?

12 A. Because my understanding is  
13 that since we have two different  
14 citizenships, so one is Nicaragua and one  
15 is American, so the one that I have is the  
16 one in Nicaragua. It had nothing to do  
17 with the United States and then many of the  
18 international lawyers agree with that, and  
19 that has been my understanding, that I  
20 didn't have to report that.

21 Q. How did you develop the  
22 understanding you just described?

23 A. Because I spoke and I read a  
24 big article by somebody named Roger Malta  
25 Grossman, that he mentioned that there is

1 J. REYES  
2 -- the United States have right to get a  
3 report, any money, that a citizen will get  
4 in there, and that was before they accept  
5 the dual citizenships, and when the United  
6 States accept dual citizenship, then the  
7 law become gray. They don't know exactly  
8 what should be done because the other  
9 country has some special interest.

10 So my understanding was, as a  
11 Nicaragua citizen, I didn't have the right,  
12 or I didn't have the duty, to report that I  
13 wasn't an American citizen. I might be  
14 wrong but that was my understanding. I  
15 believe in that.

16 Q. Who was the author of this  
17 article?

18 A. I think it's Malta M-A-L-T-A,  
19 Grossman with two S. I believe it's a  
20 Sicilian international lawyer.

21 MR. LERNER: Schilling?

22 THE WITNESS: Lawyer.

23 MR. LERNER: Malta Grossman  
24 Schilling?

25 THE WITNESS: He's an



1 J. REYES

2 international lawyer. I read an  
3 article and that was my  
4 understanding.

5 Q. Let me just get the first name  
6 right. Is the first name Malta?

7 A. I think the first name is Roger  
8 and he use the two last name, Malta, like  
9 the island of Malta, M-A-L-T-A, and  
10 Grossman.

11 Q. Roger Malta Grossman?

12 A. Yes.

13 Q. And it's Mr. Grossman I assume,  
14 right?

15 A. Yes.

16 Q. Is Mr. Grossman Chilean?

17 A. I think so.

18 Q. From Chile, the country?

19 A. Usually they from Chile, yes.

20 Q. This is an article in a  
21 newspaper that he wrote or where did he  
22 write this?

23 A. It could have been in a  
24 newspaper but that was in Nicaragua.

25 Q. So he wrote an article that

1 J. REYES

2 appeared in a Nicaraguan newspaper?

3 A. Yes.

4 Q. When did you read that article?

5 A. I wouldn't remember.

6 Q. And tell me again what did  
7 Dr. Grossman say in this article.

8 A. My only understanding was that  
9 if you have an account outside the country  
10 where you a citizen, that money belong,  
11 it's on the jurisdiction where the money  
12 was generated, and my understanding is the  
13 money was generated in Nicaragua. It was  
14 not in the jurisdiction for the United  
15 States.

16 MR. LERNER: Did you say it was  
17 not under the jurisdiction?

18 THE WITNESS: It was not.

19 A. And although, I mention to you  
20 too, that is before the American accept  
21 dual citizenships, they didn't have the  
22 right about any account that American  
23 citizen have outside. When they have dual  
24 citizenships, it cause a different ball  
25 game.

1 J. REYES

2 Q. How is it different?

3 A. They have no jurisdiction on  
4 that. The money become -- the money is  
5 with -- the country where the money was  
6 generated, that the one who has  
7 jurisdiction over that money.

8 Q. I'm still a little confused  
9 about the dual citizenship part. What's  
10 the difference between dual citizen and  
11 not?

12 A. I think like it's two different  
13 things, like two different corporations,  
14 one in Nicaragua, one in United States, and  
15 that what Mr. Grossman was saying, the law  
16 become really gray, not black and white.

17 Q. So was it your understanding  
18 that, based on reading this article, that  
19 if you're citizen of a country, and you  
20 have a foreign account, then the income  
21 from that account is only within the  
22 jurisdiction of where the account is  
23 located,

24 A. No, where the money was  
25 generated.

1 J. REYES

2 Q. Okay. But then when you're a  
3 dual citizen, it's more of a gray area, is  
4 that what he was saying?

5 A. That's correct.

6 Q. That was your understanding  
7 too?

8 A. And my understanding is once  
9 you starting bringing that money into any  
10 other country, you have to pay the taxes  
11 and when I brought the money here, I was  
12 under the understanding that I was going to  
13 bring the money to pay my tax and that was  
14 it.

15 Q. Did you ever talk to anyone  
16 about this article that you read by  
17 Mr. Grossman?

18 A. Maybe with my wife. I never  
19 thought too much about that account outside  
20 of Nicaragua, outside of the United States.

21 Q. Did you ever discuss this  
22 article with Mr. Yoskowitz?

23 A. No.

24 Q. Did there ever come a time when  
25 you learned of the information that would

1 J. REYES

2 contradict what you read in that article?

3 A. I never read anything that  
4 contradict that but I know the obligation  
5 when I start to bring the money here. When  
6 I decide to bring the money here, I learned  
7 that I need more than just pay taxes.

8 Q. What was there in addition to  
9 that?

10 A. My lawyer mentioned it to me.

11 Q. I'm sorry?

12 A. My lawyer gave me the advice,  
13 my lawyer in New York.

14 MR. BEDNAR: Can you read the  
15 answer to the last question just to  
16 make sure I have it.

17 (Whereupon, the referred-to  
18 question and answer was read back by  
19 the Reporter.)

20 Q. I want to focus on that. What  
21 more did you need to do other than paying  
22 taxes?

23 A. There was going to be some  
24 penalties and it had to be done through the  
25 -- what do you call it? Offshore voluntary

1 J. REYES

2 disclosure.

3 Q. I just want to talk about the  
4 process that was used to prepare this  
5 original return. How was the original 2010  
6 return prepared? Start from the beginning  
7 to the end.

8 MR. LERNER: Objection. You  
9 can answer.

10 A. Without the Lloyds account --

11 Q. I'm talking about this  
12 Exhibit 16, the original 2010 return. What  
13 was -- how was it prepared?

14 A. We give the papers, we give the  
15 incomes to Mr. Sidney Yoskowitz, and he  
16 prepared the return.

17 Q. Now which papers were given to  
18 him?

19 A. My income. At the end of the  
20 year, all those insurance company send the  
21 total that they pay me, plus also we  
22 deposit, as soon as we get the check, we  
23 deposit into the bank. So we collect all  
24 these papers and we give it to him and  
25 based on that, Mr. Yoskowitz prepared the

1 J. REYES

2 income tax.

3 Q. So the first part, were those  
4 1099 forms? Are you familiar with the term  
5 1099 form?

6 A. I seen that but I don't know  
7 exactly what it is.

8 Q. Is that a form that shows  
9 income that was paid to somebody?

10 A. Okay. So probably that's the  
11 one.

12 Q. And then you mentioned banks.

13 A. We deposit because as soon as  
14 we get the check, which is now I think it  
15 get the deposit directly into the account,  
16 we have to bring those checks and we make a  
17 deposit.

18 Q. So in terms of putting together  
19 documents for Mr. Yaskowitz to prepare the  
20 2010 return, you gave him -- correct me if  
21 I'm wrong -- did you give him 1099s, plus  
22 bank statements or something else?

23 A. Whatever shows my income, we  
24 show it to him. We gave it to him and we  
25 prepare. Based on that, we prepare the

1 J. REYES

2 income tax.

3 Q. Between you or your wife, who  
4 gave Mr. Yoskowitz the documents to prepare  
5 the 2010 return?

6 A. I think my wife most of the  
7 times.

8 Q. And did Mr. Yoskowitz approach  
9 you two first for information or what was  
10 the sequence of events?

11 A. I believe that he would make a  
12 phone call and want us to prepare all the  
13 papers and they said we want to have the  
14 papers ready in the day and he would come  
15 himself, he would send the driver to pick  
16 up papers.

17 Q. For 2010, did he give you a  
18 written list of documents that he wanted or  
19 was it a list over the phone?

20 A. Well, we gave the papers.

21 Q. But in terms of his request,  
22 did he actually list out in writing what he  
23 needed?

24 A. I really think that was  
25 probably the telephone.



1 J. REYES

2 Q. So for 2010, in the stack of  
3 papers given to the Mr. Yoskowitz, did you  
4 or your wife ever include any documentation  
5 regarding the Lloyds Bank account?

6 A. No, never.

7 Q. And why not?

8 A. Because I didn't think they  
9 need it.

10 Q. And why didn't you think you  
11 needed to?

12 A. Because that was not the income  
13 in the United States. I mention to you  
14 before I didn't feel the obligations that  
15 we have to this country with this account.

16 Q. Are you familiar with the term  
17 a tax organizer?

18 A. Not really.

19 Q. Did Mr. Yoskowitz, for 2010,  
20 did he give you a blank questionnaire to  
21 fill out so that he can then use that to  
22 prepare the income tax return?

23 A. I don't remember.

24 MR. LERNER: Let's take a break  
25 so I can stretch my legs.

1 J. REYES

2 (Whereupon, a short recess was  
3 taken.)

4 MR. BEDNAR: What was the last  
5 question and answer?

6 (Whereupon, the referred-to  
7 question and answer was read back by  
8 the Reporter.)

9 Q. Other than the stack of  
10 documents that you or your wife gave  
11 Mr. Yoskowitz, did either of you give him  
12 anything else in order to prepare the 2010  
13 joint federal income tax return?

14 MR. LERNER: Objection. You  
15 can answer.

16 A. I don't think so.

17 Q. For the 2010 return, did you or  
18 your wife ever meet with Mr. Yoskowitz in  
19 any any part of that process of preparing  
20 that return?

21 A. I don't think so.

22 Q. Did either you or your wife  
23 talk to him on the phone about any aspect  
24 of preparing the 2010 return?

25 MR. LERNER: Objection. You

1 J. REYES

2 can answer.

3 A. I don't think so.

4 Q. So you or your wife gave him  
5 documents. Did he then come back to you  
6 and your wife with a draft 2010 return to  
7 review?

8 A. I don't remember. I would say  
9 maybe but I don't know.

10 Q. I think you testified earlier  
11 that he was your CPA for many years, right?

12 A. Yes.

13 Q. About 40 years?

14 A. I think so.

15 Q. Let's step outside 2010. Let's  
16 look at the bigger picture. Was it his  
17 practice to give you and your wife a draft  
18 of the return to review? Did he do that?

19 A. I don't know unless he gave it  
20 to my wife. I couldn't say. I couldn't  
21 talk to -- with my wife but me to me, I  
22 don't remember actually.

23 Q. I'm just trying to understand  
24 what his practice was. Did he notify you  
25 or your wife and say okay, I've got the tax

1 J. REYES

2 returns ready for you to look at and sign?

3 Is that what he did?

4 A. I think so.

5 Q. And would you and your wife go  
6 to his office to sign it or where would it  
7 be signed?

8 A. He would send somebody and on a  
9 rare occasion, he would go by himself.

10 Q. So customarily the tax returns  
11 would be signed in your house; is that  
12 right?

13 A. Probably, yes.

14 MR. LERNER: Hold on. When  
15 we're talking about the big picture,  
16 that can be 20 years ago before they  
17 were doing electronic filing but as  
18 we get into a more recent era, he may  
19 not have been coming to his house so  
20 the big picture might not work here.

21 Q. Did you or your wife ever go to  
22 Mr. Yoskowitz's office?

23 A. I believe that we went to a  
24 party there.

25 Q. Did you or your wife ever visit

1 J. REYES

2 Mr. Yoskowitz's office for the purpose of  
3 tax return preparation?

4 A. Not that I know of.

5 Q. So let's go back to 2010 then.  
6 You and your wife gave him documents, he  
7 generated a return. Did the 2010 return  
8 then get sent to your house for you and  
9 your wife to review and sign?

10 A. I think so because we been  
11 doing that for 40 years so he probably  
12 trust us and we trust him.

13 Q. So did you and your wife review  
14 and confirm the accuracy of the original  
15 2010 return prior to signing it?

16 A. Probably.

17 Q. Did you ever mention to --

18 MR. BEDNAR: Strike that.

19 Q. Did you ever use a CPA other  
20 than Mr. Yoskowitz, you or your wife, to  
21 prepare your personal federal income tax  
22 returns?

23 MR. LERNER: Objection. We  
24 know that Mr. Yoskowitz passed away  
25 and he died so obviously they have.

1 J. REYES

2 A. Yeah, so after Mr. Yoskowitz  
3 died we have somebody else and probably I  
4 think maybe two years after we get married  
5 we had somebody else but then we met  
6 Mr. Yoskowitz and ever since he prepared  
7 the income taxes.

8 Q. What was the last tax year that  
9 Mr. Yoskowitz prepared a return for you?

10 A. I wouldn't know.

11 Q. Was it within the last five  
12 years?

13 A. Probably.

14 Q. At any point in time did you  
15 ever mention to Mr. Yoskowitz the existence  
16 of you and your wife's Lloyds Bank account?

17 A. Never.

18 MR. LERNER: Let me go outside  
19 with him for a moment.

20 (Whereupon, a short recess was  
21 taken.)

22 MR. LERNER: Having spoken with  
23 Dr. Reyes for a moment, he  
24 understands the question and will  
25 clarify.

1 J. REYES

2 THE WITNESS: Can you ask the  
3 question again?

4 MR. BEDNAR: Let's have the  
5 court reporter read it.

6 (Whereupon, the referred-to  
7 question was read back by the  
8 Reporter.)

9 A. Yeah, we did.

10 Q. When did that occur?

11 A. When he had to do an amendment  
12 when we brought the money into the United  
13 States.

14 Q. And we'll discuss those amended  
15 returns shortly. Other than in the context  
16 of amended returns, did you ever mention to  
17 Mr. Yoskowitz the existence of the Lloyds  
18 Bank account?

19 A. We never mention it.

20 Q. Did you ever provide  
21 Mr. Yoskowitz with any documents  
22 referencing you and your wife's Lloyds Bank  
23 account?

24 A. Never.

25 Q. What about during the process

1 J. REYES

2 of amending the tax returns?

3 A. Yes, that's the only time. I  
4 think we provide Mr. Doug Allen and then he  
5 and Mr. Yoskowitz prepared the amended.

6 Q. Other than in the context of  
7 preparing amended returns, did you ever  
8 provide Mr. Yoskowitz with any documents  
9 referencing the Lloyds Bank account?

10 A. No, never.

11 Q. Did Mr. Yoskowitz ever ask you  
12 or your wife about whether either of you  
13 had a foreign financial account?

14 A. I don't think so.

15 Q. From the period of, let's say,  
16 1985 to 2012, did you have any tax advisors  
17 other than Mr. Yoskowitz?

18 MR. LERNER: Objection.

19 A. I don't think so.

20 Q. What was your answer?

21 A. I don't think so.

22 Q. Have you ever had any other  
23 financial advisors?

24 A. Besides Mr. Yoskowitz?

25 Q. Right.



1 J. REYES

2 A. No, we don't have any.

3 Q. Have you or your wife ever  
4 work with a financial planner?

5 A. No, I don't think so.

6 MR. BEDNAR: Let's look at  
7 another exhibit.

8 (Whereupon, Amended Tax Return  
9 for 2010 was marked as Exhibit 17 for  
10 identification as of this date by the  
11 Reporter.)

12 MR. BEDNAR: This is a document  
13 with the Bates stamp IRS\_0001005.

14 Q. Dr. Reyes, what is this  
15 document that's been marked as Exhibit 17?

16 A. My understanding is that this  
17 is the amendment of the income tax.

18 Q. Is this an amended federal  
19 income tax return for the year 2010 for you  
20 and your wife?

21 A. That's correct.

22 Q. On the second page, are these  
23 the signatures of you and your wife on  
24 this?

25 A. Yes.

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1 J. REYES

2 Q. And when did you and your wife  
3 sign this?

4 A. It says here in August 3, 2014.

5 Q. Why was an amended return for  
6 2010 prepared?

7 A. Around that time, around 2014.

8 Q. I'm asking why was an amended  
9 return for tax year 2010 prepared?

10 A. Because we get advice from the  
11 lawyer that we have to pay taxes in the  
12 money that we brought into the country.

13 Q. I just caution you that I don't  
14 want to get into what your lawyer advised  
15 or communications with your lawyer and your  
16 attorney, Mr. Lerner --

17 MR. LERNER: I could have  
18 objected but it was innocuous.

19 A. He want to give me advices.

20 Q. Let's go to schedule B on this  
21 amended return, which is the Bates number  
22 on the right-hand corner ending in 1012.  
23 In this amended return, was there a  
24 disclosure of interest income from the  
25 Lloyds Bank account for 2010?

1 J. REYES

2 A. I'm not so sure. I see over  
3 here but I don't think so.

4 Q. See where it says part 1  
5 interest near the top?

6 A. Part 1 interest, yes.

7 Q. And there's two entries for  
8 Chase, correct?

9 A. Yes, that's right.

10 Q. And below that there's an entry  
11 for Lloyds TSB Bank?

12 A. Yes.

13 Q. So let me ask the question  
14 again. Does the amended return for 2010  
15 disclose interest income from the Lloyds  
16 Bank account?

17 A. Yeah, this one, yes.

18 Q. And what's the amount?

19 A. 57,250.

20 Q. And then why does the amended  
21 return disclose this interest income from  
22 Lloyds?

23 A. Because we brought the money  
24 here. That money from Lloyds, we brought  
25 it into this country and we had to pay

1 J. REYES

2 taxes on that money.

3 Q. But this is a return from year  
4 2010, correct?

5 A. Yes.

6 Q. So had you brought the money in  
7 in 2010?

8 A. No. I was advised to leave it  
9 the last three years I think.

10 Q. So after conferring with Doug  
11 Allen, you decided to file an amended  
12 return to disclose income from 2010,  
13 interest income from Lloyds for 2010?

14 A. Well, he say that we have.

15 Q. You decided to do it, right?

16 A. Yes.

17 Q. Now let's go down to question  
18 7A. I'll read it out loud. At any time  
19 during 2010 --

20 A. Wait a second.

21 Q. Same page on the bottom, line  
22 7A. At any time during 2010, did you have  
23 an interest in or a signature or other  
24 authority over a financial account in a  
25 foreign country, such as a bank account,

1 J. REYES

2 securities account, or other financial  
3 account and which box was checked on this  
4 amended return?

5 A. Yes.

6 Q. Why was the box checked yes but  
7 no on the original?

8 A. Because in the other one I  
9 mentioned to you, I didn't believe we  
10 didn't have brought the money into this  
11 country. I believed, at that point, I  
12 didn't need, or at least that was my  
13 understanding, I didn't need any obligation  
14 to the United States.

15 Q. And that understanding was  
16 based on the article you read in the  
17 newspaper in Nicaragua by Mr. --

18 A. It's not the only one. I think  
19 they said there's a lot of international  
20 lawyers believe in that.

21 Q. Was Mr. Grossman, was he an  
22 international lawyer?

23 A. He's an international lawyer.  
24 That's my understanding.

25 Q. Who are some of the

1 J. REYES

2 international lawyers that shared the same  
3 belief as Mr. Grossman?

4 A. I know somebody that was  
5 married to my wife's niece. I don't even  
6 know what his name was because I think  
7 they're getting divorced now and he's a  
8 German fellow and he's an international  
9 lawyer, and then also, at one point, I  
10 think maybe I spoke to him but I know there  
11 was an agreement with what Mr. Grossman was  
12 saying.

13 Q. Again you had an over 40-year  
14 relationship with Mr. Yoskowitz, right?

15 A. Yes.

16 Q. And back in 2010, that would  
17 have been 30 year-relationship  
18 approximately, right?

19 A. Yes.

20 Q. Did you trust Mr. Yoskowitz?

21 A. Well, there was a relationship.  
22 There was not like personal friend but I  
23 trust in him because he been doing my work  
24 for so many years and I didn't have any  
25 reason why not to trust him.

1 J. REYES

2 Q. With such a long 30-year plus  
3 relationship with Mr. Yoskowitz, why didn't  
4 you ever approach him regarding the Lloyds  
5 Bank account?

6 A. There was no reason why to tell  
7 my personal life.

8 Q. Was this amended return paper  
9 filed or e-filed with the IRS?

10 A. I don't know.

11 MR. BEDNAR: Let's go on to  
12 the next exhibit which is Exhibit 18.

13 (Whereupon, 2011 Federal Income  
14 Tax Return was marked as Exhibit 18  
15 for identification as of this date by  
16 the Reporter.)

17 Q. Dr. Reyes, what is this  
18 document that's been marked as Exhibit 18?

19 A. The income tax return for 2011.

20 Q. And did you sign -- is this  
21 document signed by you or your wife?

22 A. I haven't seen my signature  
23 here.

24 Q. Is this a true and correct  
25 unsigned copy of your original 2011 federal

1 J. REYES

2 income tax return?

3 MR. LERNER: Objection.

4 A. I believe so.

5 Q. Do you have any reason to  
6 dispute that this is a valid unsigned copy  
7 of your 2011 tax return?

8 A. I believe so, yes.

9 Q. You believe that this is a  
10 valid -- do you believe you have any reason  
11 to dispute?

12 A. I don't think so.

13 Q. Was this 2011 original return  
14 e-filed or paper filed?

15 A. I wouldn't know.

16 Q. Was the process for preparing  
17 the 2011 return any different than it was  
18 for the 2010 original return?

19 A. I don't think so.

20 Q. So what's your understanding of  
21 what the process was for 2011?

22 A. So we, my wife and I, we  
23 collect all the papers, all the income tax  
24 that we have through the year and we give  
25 it to Mr. Yoskowitz or he send the driver



1 J. REYES

2 to pick up the papers.

3 Q. And the papers consisted of  
4 1099 income statements?

5 A. That is correct, yes.

6 Q. Anything else besides that?

7 A. No. Anything related to the  
8 income.

9 MR. LERNER: Did you have a  
10 mortgage at the time?

11 THE WITNESS: Yes.

12 MR. LERNER: Did you report the  
13 interest payments? And did you  
14 receive a statement from the bank  
15 stating that payments were --

16 THE WITNESS: Probably we did.

17 MR. LERNER: So just to  
18 clarify, everything doesn't mean just  
19 income statements.

20 Q. Did you receive 1099 interest  
21 statements from your mortgage, from the  
22 bank that you had a mortgage, showing how  
23 much you paid in interest?

24 A. Probably yes.

25 Q. And was that part of the stack

1 J. REYES

2 of documents that was provided to  
3 Mr. Yoskowitz?

4 A. Yes, that's correct.

5 Q. And for 2011, did Mr. Yoskowitz  
6 provide a blank questionnaire for you and  
7 your wife to fill out that would assist in  
8 preparing the return?

9 A. I wouldn't remember.

10 Q. And if you can turn to schedule  
11 B on the back of Exhibit 18, of page 446 on  
12 the right-hand corner, the Bates number,  
13 did this original 2011 return disclose  
14 interest income from the Lloyds Bank  
15 account?

16 A. No, it didn't.

17 Q. Why wasn't it disclosed in  
18 2011?

19 A. Because like I said before, I  
20 didn't think that was -- that it was my  
21 obligation to do that.

22 Q. And back down to question 7A, I  
23 will read it out loud. At any time during  
24 2011, did you have a financial interest in  
25 or significant authority over a financial

1 J. REYES

2 account such as a bank account, securities  
3 account, or a brokerage account located in  
4 a foreign country, and between yes or no,  
5 what box was checked?

6 A. No.

7 Q. Why was that box checked no?

8 A. Because I believed I didn't  
9 need to report any of the bank that I have  
10 outside of this country.

11 Q. In 2011, what formed the basis  
12 of that belief?

13 A. Again because everyone, some  
14 international lawyers, believe that the  
15 obligation to pay taxes are with the  
16 country where the money was generated and  
17 that money was never generated in the  
18 United States.

19 Q. Having read the article by  
20 Mr. Grossman, who you're saying is an  
21 international lawyer, and having had  
22 discussions with international lawyers, is  
23 that correct, you had discussions with --

24 MR. BEDNAR: Strike that.

25 Q. Did you ever have -- you

1 J. REYES

2 mentioned other international lawyers. Did  
3 you actually talk to them or are these  
4 international lawyers that you knew through  
5 another party?

6 A. I knew them but not as my  
7 lawyers, or in that capacity, but it came  
8 out through the conversation if I want to  
9 return to Nicaragua, things like this.

10 Q. Okay. So having read the  
11 articles from Mr. Grossman, who you're  
12 saying is an international lawyer, having  
13 had casual conversations with other  
14 international lawyers, did it ever occur to  
15 you to hire your own lawyer in order to  
16 figure out whether to disclose income from  
17 the Lloyds account or otherwise disclose it  
18 to the United States government?

19 A. Well, believe or not, that  
20 account was like a dormant account and I  
21 didn't pay too much attention to that  
22 account and I never thought about that. I  
23 never thought that I had any obligation.

24 Q. But what I'm trying to get at  
25 is you gathered information from

1 J. REYES

2 international lawyers through different  
3 methods. Did it ever occur to you that, at  
4 that point, then to seek out your own  
5 lawyer to figure out your reporting  
6 requirements?

7 A. I didn't, no.

8 MR. BEDNAR: So let's move on  
9 to the next exhibit which will be 19.

10 (Whereupon, Amended Tax Return  
11 for 2011 was marked as Exhibit 19 for  
12 identification as of this date by the  
13 Reporter.)

14 MR. BEDNAR: For the record,  
15 this is a document with the Bates  
16 number on the right-hand corner IRS\_  
17 00001015.

18 Q. Dr. Reyes, what is your  
19 understanding of what this document is?

20 A. The amended U.S. individual tax  
21 turn.

22 Q. For who?

23 A. For my wife and myself.

24 Q. And for which tax year?

25 A. 2011.

1 J. REYES

2 Q. And on the next page, are those  
3 the signatures of you and your wife?

4 A. Yes, they are.

5 Q. When did both of you sign this  
6 amended return?

7 A. I believe the date that is  
8 written, which is August 3, 2014.

9 Q. Why was this amended return for  
10 2011 prepared?

11 A. Around that time.

12 Q. Why was it prepared?

13 A. Because I became aware, by  
14 advice, the obligation that I have with  
15 this country, that I have to pay the taxes.

16 Q. And turning to schedule B,  
17 which is the page on the right-hand corner,  
18 ending in 1023, in this amended 2011 return  
19 is there interest income from Lloyds Bank  
20 disclosed?

21 A. Yes.

22 Q. And is the amount of \$49,007?

23 A. That's correct, yes.

24 Q. Why was the interest income  
25 from Lloyds Bank account disclosed in this

1 J. REYES

2 amended return but not in the original  
3 schedule B for the original 2011 return?

4 A. At this point we brought the  
5 money into this country and I became aware  
6 of the obligation that I have to pay the  
7 taxes.

8 Q. When you say at this point, you  
9 mean in 2014 where this amended return was  
10 prepared?

11 A. Yes.

12 Q. And on question 7A, at the  
13 bottom, which says at any time during 2011  
14 did you have a financial interest in or  
15 signature authority over a financial  
16 account located in a foreign country,  
17 what's the box checked this time?

18 A. Yes.

19 Q. So why did you check yes here  
20 and no on the original?

21 A. Because before I didn't believe  
22 that it was required for me to do it.

23 MR. BEDNAR: Let's make this  
24 Exhibit 20.

25 (Whereupon, 2012 Federal Income

1 J. REYES

2 Tax Return was marked as Exhibit 20  
3 for identification as of this date by  
4 the Reporter.)

5 MR. BEDNAR: For the record,  
6 this is a document with the Bates  
7 stamp starting with IRS\_0000451,  
8 Exhibit 20.

9 Q. Dr. Reyes, what is this  
10 document that's been marked as Exhibit 20?

11 A. That's the individual income  
12 return, 2012, my wife and myself.

13 Q. Is this a copy of the original  
14 2012 return?

15 A. I think so.

16 Q. And is this copy signed by you  
17 or your wife?

18 A. I don't see any places that  
19 were signed.

20 Q. Nevertheless do you believe  
21 this to be a true and correct unsigned copy  
22 of your original 2012 federal income tax?

23 MR. LERNER: Objection.

24 A. I believe so.

25 Q. What's your answer?



1 J. REYES

2 A. I do.

3 Q. Do you have any reason to  
4 dispute that this is a true and correct  
5 unsigned copy of your 2012 income tax  
6 return.

7 MR. LERNER: Objection. You  
8 can answer.

9 A. No reason.

10 Q. Let's go to schedule B. By now  
11 you probably know where I'm going with  
12 this. This is page 454 on the right-hand  
13 corner, the Bates number.

14 A. Yes.

15 Q. Before I ask you, was this  
16 original 2012 return paper filed or  
17 e-filed?

18 A. I wouldn't know.

19 Q. So turning to schedule B, did  
20 this original 2012 income tax return  
21 disclose interest income from Lloyds Bank?

22 A. I have no idea.

23 Q. And on question 7A at the  
24 bottom, I'll read it. At any time during  
25 2012, did you have a financial interest in

1 J. REYES

2 or signature authority over a financial  
3 account, such as a bank account, securities  
4 account, or brokerage account, located in a  
5 foreign country? And between yes and no,  
6 which box was checked?

7 A. I marked no.

8 Q. Why was no checked?

9 A. Because I have reason to  
10 believe that I didn't need to report it.

11 Q. And what was the basis for the  
12 belief?

13 A. Because in general, it's  
14 acknowledged or believed that the money  
15 where the country -- when the money, it had  
16 to be declared in the country where the  
17 money was generated, and that money was not  
18 generated, and was not the account made  
19 with any money from the United States.

20 Q. What was the source or sources  
21 of this belief?

22 A. One, I didn't know. The second  
23 one is the international lawyers, that they  
24 believed that, and I think the United  
25 States should check into that.

1 J. REYES

2 Q. And when you say international  
3 lawyers, are you referring to an article  
4 written by Mr. Grossman?

5 A. That's correct.

6 Q. And then also informal  
7 conversations you had with other  
8 international lawyers?

9 A. That's correct, yes.

10 Q. And let's talk about the  
11 process for preparing the 2012 return. Who  
12 prepared the 2012 return originally?

13 A. Mr. Yoskowitz.

14 Q. Was the process for preparing  
15 the original 2012 return any different than  
16 the 2010 or 2011?

17 A. I don't think so.

18 Q. So to recap, did you or your  
19 wife gather 1099 income and mortgage  
20 interests papers for Mr. Yoskowitz?

21 A. Yes, that's correct.

22 Q. Did you or your wife give him  
23 any other documentation to help prepare the  
24 2012 return?

25 A. I don't think so.

1 J. REYES

2 Q. Did you or your wife ever give  
3 him any other information outside of those  
4 documents to help prepare the 2012?

5 A. I don't think so. After we  
6 brought the money into this country.

7 Q. I'm talking about the original  
8 2012 return.

9 A. No.

10 Q. For 2012, did Mr. Yoskowitz  
11 give you or your wife a blank questionnaire  
12 to fill out to help him prepare the 2012  
13 return?

14 A. I don't think so.

15 Q. Let me skip back to 2011. Did  
16 you review and confirm the accuracy of the  
17 2011 income tax return prior to signing it?

18 A. I think so.

19 Q. I'll ask the same question for  
20 2012. Did you review and confirm the  
21 accuracy of the 2012 original income tax  
22 return prior to signing it?

23 A. I believe so.

24 Q. And for 2012, after you gave  
25 Mr. Yoskowitz the documentation, did he

1 J. REYES

2 then send over to you and your wife a  
3 version of the return to sign?

4 A. I know they sent an amendment.  
5 I don't know at this point did I sign or I  
6 didn't sign.

7 Q. I'm talking about the original  
8 2012, did he send that to you?

9 A. Probably, yes.

10 Q. Did you and your wife sign it  
11 in your house?

12 A. Most likely.

13 Q. Did you ever meet with Mr.  
14 Yoskowitz to discuss the 2012, the original  
15 2012 return, before it was signed?

16 A. Not really.

17 Q. Did you ever meet with Mr.  
18 Yoskowitz to discuss the 2011 return before  
19 it was filed?

20 A. I don't think so.

21 (Whereupon, Amended Tax Return  
22 for 2012 was marked as Exhibit 21 for  
23 identification as of this date by the  
24 Reporter.)

25 MR. BEDNAR: For the record,

1 J. REYES

2 this is a document with the Bates  
3 stamp IRS\_0001028.

4 Q. Dr. Reyes, what is this  
5 document that's been placed in front of you  
6 marked as Exhibit 21?

7 A. The amended income tax return.

8 Q. For who?

9 A. For my wife and myself.

10 Q. And for which tax year?

11 A. This is amended U.S. individual  
12 tax return for my wife and myself and we  
13 add the money that we got the --

14 Q. But which tax year does this  
15 amended return refer to?

16 A. To the money that we --

17 Q. I'm saying what year is it for?

18 A. 2012.

19 Q. Now let's go to schedule B  
20 which is on the right-hand corner of the  
21 Bates stamp number ending in 1033. As a  
22 general premises, why was this amended  
23 return filed for 2012?

24 A. Because we didn't bring the  
25 money of Lloyds Bank into this country

1 J. REYES

2 until this time.

3 Q. And did you develop a belief  
4 that there is a need to disclose the  
5 interest income for 2012 from Lloyds?

6 A. I was convinced by a lawyer  
7 here that I need it.

8 Q. So schedule B, page 1033, does  
9 this amended 2012 return disclose interest  
10 income from you and your wife's Lloyds Bank  
11 account?

12 A. Yeah.

13 Q. And is the amount 47,446?

14 A. That's correct.

15 Q. Why was the interest income  
16 disclose in the amended return for 2012 but  
17 not the original?

18 A. Because we didn't have brought  
19 the money into this country at that point.

20 Q. Question 7A, at any time during  
21 2012, did you have a financial interest in  
22 or signature authority over a financial  
23 account located in a foreign country?  
24 Between yes and no which box was checked on  
25 this amended return?

1 J. REYES

2 A. We checked yes.

3 Q. Why was it checked yes but no  
4 on the original return for 2012?

5 A. Because I didn't believe that  
6 we have to do it.

7 Q. Did you ever file any tax  
8 returns in a country other than the United  
9 States for years 2010 through 2012?

10 A. I don't think so.

11 Q. Are you familiar with an  
12 individual named Ray Floch, F-L-O-C-H?

13 A. I don't think so.

14 Q. Is that a name you would  
15 associate with the GRE CPA firm?

16 A. Maybe. What is his name?

17 Q. Ray Floch?

18 A. Yes.

19 Q. And who is he?

20 A. He's an accountant that works  
21 for the Reid accounting firm.

22 Q. In what capacity did he work  
23 with you?

24 MR. BEDNAR: Strike that.

25 Q. Did he ever work with you?



1 J. REYES

2 A. After Mr. Yoskowitz retired.

3 Q. When did Mr. Yoskowitz?

4 A. I wouldn't know.

5 Q. A few years ago?

6 A. Maybe two or three years ago.

7 Q. So what did Mr. Floch -- how  
8 did you work with him?

9 A. The same way. The same way  
10 that we work with Mr. Yoskowitz. We gave  
11 him the paper together and he said -- I  
12 don't really know but I believe that was  
13 mailed to them.

14 Q. So Mr. Floch prepared tax  
15 returns for certain years?

16 A. That's Ray?

17 Q. Yes, Ray.

18 A. Yes.

19 Q. Was Ray involved at all with  
20 the 2010 through 2012 returns?

21 A. I don't think so.

22 Q. Do you know what an FBAR is?

23 A. I learned lately, yes.

24 Q. What is it?

25 A. I think it's when you bring

1 J. REYES

2 money into this country and we don't go  
3 with the offshore option, the offshore  
4 voluntary option.

5 Q. Are you familiar with the  
6 requirement, with something that's called  
7 the FBAR filing requirement?

8 A. I don't know.

9 Q. Are you familiar with the  
10 requirements to fill out a short  
11 informational return document to the  
12 Department of Treasury if you have over  
13 \$10,000 in a foreign account?

14 A. Yeah, I think that I heard  
15 that.

16 Q. When did you first become aware  
17 of that requirement?

18 A. When I brought the money here  
19 to this country.

20 Q. So around late 2013?

21 A. Yes.

22 Q. Did Lloyds Bank, or any of the  
23 predecessor banks, regarding your foreign  
24 financial account ever tell you about FBAR  
25 filing requirements in the United States?

1 J. REYES

2 A. Never.

3 Q. Did Lloyds Bank, or any of the  
4 predecessor banks, regarding your foreign  
5 financial accounts, ever tell you about  
6 United States tax reporting requirements  
7 regarding the account?

8 A. Never.

9 Q. Have you or your wife ever  
10 filed a FBAR report of foreign financial  
11 accounts?

12 A. I don't think so.

13 Q. Not even after --

14 A. After that, after we decide to  
15 get off of the offshore voluntary foreign  
16 account.

17 Q. So at some point in time you  
18 then filed a FBAR return?

19 A. Yes.

20 Q. What year was that?

21 A. I don't remember.

22 Q. Have you ever filed a FBAR for  
23 any --

24 MR. BEDNAR: Strike that.

25 Q. The FBARs that you did file,

1 J. REYES

2 what account were they for?

3 A. For the Lloyds Bank account.

4 Q. And for which years?

5 A. I think that's for probably  
6 '10, '11 and '12 I think.

7 Q. Have you ever filed an FBAR for  
8 any account other than the Lloyds Bank  
9 account?

10 A. Never.

11 Q. Did you timely file an FBAR  
12 regarding Lloyds Bank account for years  
13 2010 through 2012?

14 A. As soon as we get off the  
15 voluntary disclosure account, so we file  
16 the FBAR.

17 Q. Did you ever seek out advice on  
18 United States tax reporting requirements  
19 for the Lloyds Bank account?

20 MR. LERNER: Objection. You  
21 can answer.

22 A. Say it again.

23 Q. Did you ever seek out advice on  
24 United States tax reporting requirements  
25 for the Lloyds Bank accounts?

1 J. REYES

2 A. From my lawyer --

3 Q. Before the money was  
4 transferred from Lloyds to Chase Bank?

5 A. I never --

6 MR. LERNER: We have already  
7 established that before that money  
8 was transferred he consulted with  
9 Doug Allen so --

10 MR. BEDNAR: I'll ask it a  
11 different way.

12 Q. Before you consulted with  
13 attorney Doug Allen, had you ever sought  
14 out advice on United States tax reporting  
15 requirements for the Lloyds Bank account?

16 A. I never.

17 Q. Before you conferred with  
18 attorney Doug Allen, had you ever sought  
19 out on any other United States reporting  
20 requirements for the Lloyds account?

21 A. Never.

22 Q. You mentioned the offshore  
23 voluntary disclosure program with the IRS.  
24 What is that program in your understanding?

25 A. You disclose -- you decide to

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1 J. REYES

2 bring your money, on your own free will, as  
3 a volunteer so you go into that program and  
4 they want to give you a penalty, which I  
5 believe it will be between 5 and the most,  
6 25 percent, and it's usually 5 percent.

7 Q. Is the disclosure program about  
8 bringing the money to the United States or  
9 is it more about simply telling the IRS  
10 about the existence of the account?

11 A. I thought that was telling the  
12 IRS but it's you're required to do a lot of  
13 paperwork and you're hire a lawyer that's  
14 an expert in that.

15 (Whereupon, Offshore Voluntary  
16 Disclosure was marked as Exhibit 22  
17 for identification as of this date by  
18 the Reporter.)

19 MR. BEDNAR: For the record,  
20 this is a document Bates stamped  
21 IRS\_0000275.

22 Q. Please take a moment, Dr.  
23 Reyes, and flip through this and read it  
24 and let me know when you're ready.

25 A. Okay.

1 J. REYES

2 Q. Dr. Reyes, what is your  
3 understanding of what this document is in  
4 front of you marked as Exhibit 20?

5 A. That we're going to bring the  
6 money from Lloyds Bank into this country  
7 and a voluntary basis and it's in the  
8 program that is called offshore voluntary  
9 disclosure.

10 Q. Let's turn to the page on the  
11 right-hand corner with Bates number 278.  
12 Did you and your wife sign this document?

13 A. Yeah, we did.

14 Q. Is this a document that's  
15 submitted to the IRS in conjunction with  
16 the offshore voluntary disclosure program?

17 A. I believe so.

18 Q. On Bates page 279, there's a  
19 question when was the account closed and it  
20 says February 19, 2014. Is that consistent  
21 with your understanding of when the Lloyds  
22 account was closed?

23 A. I believe so.

24 MR. BEDNAR: This will be  
25 Exhibit 23.

1 J. REYES

2 (Whereupon, 10/14/16 Letter  
3 from Chad Presnell/IRS was marked as  
4 Exhibit 23 for identification as of  
5 this date by the Reporter.)

6 Q. Before we get into this  
7 document, Dr. Reyes, did you and your wife  
8 ever decide to withdraw from the offshore  
9 voluntary disclosure program?

10 A. After the --

11 MR. LERNER: It's a yes or no.

12 A. Yes.

13 Q. Why did you and your wife  
14 decide to withdraw?

15 A. Because the penalties were too  
16 high. I was treated like was -- I brought  
17 money out of this country and put in an  
18 outside offshore account and then like I  
19 was caught red handed into that and it was  
20 totally not true because I brought here on  
21 my own free will and this was money that  
22 was never generated in this country.

23 Q. When you say the penalties were  
24 too high, what are you referring to?

25 A. Well, we bring it here an



1 J. REYES

2 account of \$2 million and they want to take  
3 about 75 percent.

4 Q. So as part of the offshore  
5 voluntary disclosure program, was the IRS  
6 demanding that a certain penalty be paid  
7 associated with the Lloyds Bank account?

8 A. Yes, pay the taxes. We pay  
9 every single tax but have to pay about 75  
10 percent of the total amount. I think  
11 that's inhumane, I think it's unfair, and I  
12 my own personal belief that it's probably  
13 illegal.

14 Q. When you say 75 percent,  
15 describe that some more. What do you mean  
16 by 75 percent?

17 A. Well, the account was about  
18 \$2 million and they want, I believe, it was  
19 600 or \$700,000.

20 Q. So how is that 75 percent of  
21 2 million?

22 A. Sorry, a little less than that.  
23 It's a miscalculation but however, if I  
24 want to add what I had to pay the lawyers,  
25 I had to pay already taxes and something

1 J. REYES

2 else, I pay more than enough.

3 Q. So when you say 75 percent,  
4 you're taking into account --

5 A. I'm taking it away because  
6 probably it was a miscalculation but  
7 however in the total, from the amount of  
8 money that the voluntary offshore account  
9 want to put in on my family, and plus the  
10 money that I spent in lawyers for the taxes  
11 that I had to pay, it came reduced to less  
12 than half of what I'm bringing to this  
13 country.

14 Q. What dollar amount was the IRS  
15 demanding from you and your wife in  
16 conjunction with the offshore voluntary  
17 disclosure? I'm not talking about the  
18 taxes, I'm talking about the penalty  
19 amount.

20 A. I think it was the offshore  
21 voluntary was 600,000.

22 Q. Now let's look at Exhibit 23.  
23 This is Bates numbered IRS\_0000318. Please  
24 take a moment to review it and let me know  
25 when you're done.

1 J. REYES

2 A. Okay.

3 Q. Dr. Reyes, what is your  
4 understanding of what this document is,  
5 Exhibit 23?

6 A. That we withdraw the voluntary  
7 offshore account and they say we couldn't  
8 get back into that.

9 Q. So is this simply a  
10 confirmation letter from the IRS confirming  
11 that you and your wife are withdrawing from  
12 the offshore voluntary disclosure program?

13 A. That's correct.

14 Q. Did that withdrawal occur on or  
15 about October 2016?

16 A. Yes.

17 Q. One question on this, on the  
18 upper right-hand corner it says tax period,  
19 OVDI periods C02005 through '12. Were  
20 there other -- we talked a lot about 2010  
21 through 12. Were there other tax years  
22 included in this OVDI, offshore voluntary  
23 disclosure program?

24 A. I think we pay about three  
25 years, the last three years.

1 J. REYES

2 Q. So when you said the IRS was  
3 demanding \$600,000 approximately in  
4 penalties, was it demanding that much  
5 regarding 2005 through '12 or 2010 through  
6 '12?

7 A. I think for the total.

8 MR. LERNER: The total of 2005  
9 to '12.

10 Q. The total of which years, 2005  
11 through '12 or 2010 through '12 if you  
12 remember?

13 A. I know there were three years.

14 MR. LERNER: If you don't  
15 remember, you don't remember.

16 A. Well, the last three years.

17 Q. Were you or your wife  
18 interviewed by the IRS regarding an alleged  
19 failure to timely file FBARs for 2010  
20 through 2012?

21 A. I think so.

22 Q. Who did you interview with at  
23 the IRS?

24 MR. LERNER: Objection. You  
25 can answer if you understand but I

1 J. REYES

2 think we understand it to have been a  
3 conference call.

4 Q. How was the interview  
5 conducted, in what format?

6 A. It was a telephone  
7 conversation.

8 Q. Who was on the line from the  
9 IRS?

10 A. I believe some lady. I trying  
11 to think about the first name of the lady.  
12 It could be a Crystal, something like that,  
13 but wouldn't recall exactly.

14 Q. You said Crystal?

15 A. Something like that.

16 Q. Anybody else from the IRS?

17 A. I don't think so.

18 Q. And who else was on the line?

19 A. That's what I think, that's my  
20 recollection.

21 Q. And you and your wife were on  
22 the line?

23 A. Yes.

24 Q. And anybody else?

25 A. My lawyer was present.

1 J. REYES

2 Q. Doug Allen?

3 A. Yes.

4 Q. How long did that  
5 teleconference take?

6 A. Maybe about two hours.

7 Q. Are you familiar with requests  
8 for document that the United States  
9 Department of Justice requested you and  
10 your wife to produce as part of this case?

11 A. The one that I know that Mr.  
12 Lerner has been collecting?

13 Q. The lawsuit that you're being  
14 deposed in today, are you familiar with  
15 documents that the DOJ requested Mr. Lerner  
16 to work with you and your wife to produce?

17 A. I'm familiar and now I become  
18 more familiar with now that I went over  
19 with you.

20 Q. Did anyone help you and your  
21 wife gather documents responsive to the  
22 government's requests?

23 A. I don't think so.

24 Q. And about how much time did you  
25 and your wife spend gathering documents?

1 J. REYES

2 A. It was a while because maybe  
3 some, we didn't have it, we have to look  
4 for. I wouldn't know how many hours. It  
5 was several hours.

6 (Whereupon, Plaintiff's United  
7 States' First Set of Interrogatories  
8 to Juan Reyes and Catherine Reyes was  
9 marked as Exhibit 24 for  
10 identification as of this date by the  
11 Reporter.)

12 (Whereupon, Defendant's  
13 Response to Plaintiff United States  
14 of America's First Set of  
15 Interrogatories was marked as Exhibit  
16 25 for identification as of this date  
17 by the Reporter.)

18 Q. So the last set of exhibits, 24  
19 and 25, do not have a Bates stamp. For the  
20 record, Exhibit 24 is titled --

21 MR. BEDNAR: Off the record.

22 (Whereupon, an off-the-record  
23 discussion was held.)

24 MR. BEDNAR: For the record,  
25 Exhibit 24 is entitled Plaintiff's

1 J. REYES

2 United States' First Set of  
3 Interrogatories to Juan Reyes and  
4 Catherine Reyes. Exhibit 25 is  
5 entitled Defendant's Response to  
6 Plaintiff United States of America's  
7 First Set of Interrogatories.

8 Q. Dr. Reyes, all I want you to do  
9 is the Exhibit 25 only has the responses,  
10 it doesn't have the actual questions. So  
11 could you first review the questions in  
12 Exhibit 24, and then review the responses  
13 in Exhibit 25, and please let me know if  
14 you think first that the answers in  
15 Exhibit 25 are still true and correct, and  
16 if you think that any answers need to be  
17 modified in light of subsequent information  
18 since June 29, 2022?

19 A. Should I do it now?

20 Q. Yes. Take as much time as you  
21 need.

22 MR. LERNER: Is 1 accurate?

23 THE WITNESS: 1 is accurate,  
24 yes.

25 MR. BEDNAR: Off the record.



1 J. REYES

2 (Whereupon, an off-the-record  
3 discussion was held.)

4 MR. BEDNAR: What was the last  
5 question?

6 (Whereupon, the referred-to  
7 question was read back by the  
8 Reporter.)

9 A. The only one is number 2, that  
10 we're going to add also that there is my  
11 other son Alexander Reyes, deceased, the  
12 other one that knew about that, in question  
13 number 2 and that's it.

14 Q. Just a couple final questions  
15 here. The article that Mr. Grossman wrote,  
16 the international tax lawyer, I believe you  
17 testified that was in a newspaper in  
18 Nicaragua; is that correct?

19 A. Yes.

20 Q. What was the name of that  
21 newspaper?

22 A. La Noticia or La Prensa. It's  
23 I Nicaraguan newspaper. I try to get it if  
24 I may.

25 Q. What was the last part?

1 J. REYES

2 A. I want to try to get it if I  
3 may.

4 Q. I was going to ask -- first of  
5 all, are these newspapers that are in  
6 general circulation in Nicaragua?

7 A. Yes.

8 Q. And do you have a copy of the  
9 article?

10 A. No, not really. I going to try  
11 to see if I can get something.

12 Q. And I probably asked before but  
13 when was this article published?

14 A. I wouldn't know exactly.

15 Q. Turning to your son Juan Reyes  
16 III, did you ever provide any documents to  
17 him regarding you and your wife's Lloyds  
18 Bank bank account?

19 A. Before or after we disclose the  
20 money here?

21 Q. Before.

22 A. Not really.

23 Q. Did you ever give your son,  
24 Juan Reyes III, authority to talk to Lloyds  
25 Bank or the IRS?

1 J. REYES

2 A. No, never.

3 Q. Did you ever discuss with your  
4 son, Juan Reyes III, the article written by  
5 Mr. Grossman, the international lawyer?

6 A. Maybe after the disclosure  
7 maybe.

8 Q. When you say --

9 A. After I brought the money here.

10 Q. Okay. Did you ever give your  
11 son, Juan Reyes III, a copy of Mr.  
12 Grossman's article?

13 A. No.

14 MR. BEDNAR: We have no further  
15 questions. We turn it over to Mr.  
16 Lerner.

17 MR. LERNER: Dr. Reyes, we're  
18 all done. Off the record.

19 (Whereupon, an off-the-record  
20 discussion was held.)

21 (Whereupon, at 3:50 P.M., the  
22 Examination of this witness was  
23 concluded.)

24

25

o o o o

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J . REYES

D E C L A R A T I O N

I hereby certify that having been  
first duly sworn to testify to the truth, I  
gave the above testimony.

I FURTHER CERTIFY that the foregoing  
transcript is a true and correct transcript  
of the testimony given by me at the time  
and place specified hereinbefore.

-----  
JUAN REYES

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

-----  
NOTARY PUBLIC

1 J . REYES  
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3

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5

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J . REYES

C E R T I F I C A T E

STATE OF NEW YORK )  
: SS.:  
COUNTY OF NEW YORK )

I, ENRIQUE ALVARADO, a Notary Public  
for and within the State of New York, do  
hereby certify:

That the witness whose examination is  
hereinbefore set forth was duly sworn and  
that such examination is a true record of  
the testimony given by that witness.

I further certify that I am not  
related to any of the parties to this  
action by blood or by marriage and that I  
am in no way interested in the outcome of  
this matter.

IN WITNESS WHEREOF, I have hereunto  
set my hand this 20th day of December 2022.



ENRIQUE ALVARADO



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Federal Rules of Civil Procedure

Rule 30

(e) Review By the Witness; Changes.

(1) Review; Statement of Changes. On request by the deponent or a party before the deposition is completed, the deponent must be allowed 30 days after being notified by the officer that the transcript or recording is available in which:

(A) to review the transcript or recording; and

(B) if there are changes in form or substance, to sign a statement listing the changes and the reasons for making them.

(2) Changes Indicated in the Officer's Certificate. The officer must note in the certificate prescribed by Rule 30(f)(1) whether a review was requested and, if so, must attach any changes the deponent makes during the 30-day period.

DISCLAIMER: THE FOREGOING FEDERAL PROCEDURE RULES ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

THE ABOVE RULES ARE CURRENT AS OF APRIL 1, 2019. PLEASE REFER TO THE APPLICABLE FEDERAL RULES OF CIVIL PROCEDURE FOR UP-TO-DATE INFORMATION.

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COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

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